

Chapter 1

Starting Your Planning Engine

In This Chapter

- ▶ Recognizing the value of a business plan
 - ▶ Understanding what goes into a plan
 - ▶ Setting your business time frame and milestones
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The fact that you're holding this book means the task of writing a business plan has made it onto your to-do list. That's a big step in the right direction. Now come the questions. What exactly is business planning? What should it include? Where do you start the process of writing your business plan?

That's exactly what this first chapter of *Business Plans Kit For Dummies*, 4th Edition, is all about. It confirms your hunch that business planning is essential — when you start your business and at every growth stage along the way. It helps you think about the audience for your plan, what its key components should be, and roughly how long you'll need to put it together.

We won't pretend that writing a business plan is a breeze. It takes time and thought. But we wrote this book to make the process manageable and maybe even fun. This chapter provides a quick and easy overview to get you oriented and on your way to business-planning success.

Selling Yourself on the Importance of Planning

Nearly all business experts agree on one thing: the importance of drafting a business plan. Yet plenty of companies plunge into the competitive arena without a formal plan. Why? We've heard plenty of excuses posing as reasons. A lot of new businesses are carried away and figure their passion and optimism are enough to build a successful company. Others say they were just too busy to develop a formal business plan. But operating without a plan can prove even more time-consuming in the long run. These sections clarify in plain English the importance of having a business plan.

Tallying up the benefits of having a plan

The time you invest in your business plan will pay off many times over. Some of the most obvious benefits you can gain from business planning include

- ✓ An opportunity to test out a new idea to see if it holds real promise of success (refer to Chapter 2)
- ✓ A clear statement of your business mission and vision (check out Chapter 3)
- ✓ A set of values that can help you steer your business through times of trouble (flip to Chapter 3)
- ✓ A blueprint you can use to focus your energy and keep your company on track (look in Chapter 3)
- ✓ Benchmarks you can use to track your performance and make mid-course corrections (check out Chapters 5 and 16)
- ✓ A clear-eyed analysis of your industry, including opportunities and threats (head to Chapter 5)
- ✓ A portrait of your potential customers and their buying behaviors (flip to Chapter 4)
- ✓ A rundown of your major competitors and your strategies for facing them (refer to Chapter 4)
- ✓ An honest assessment of your company's strengths and weaknesses (check out Chapter 5)
- ✓ A road map and timetable for achieving your goals and objectives (see Chapter 3 for more information)
- ✓ A description of the products and services you offer (refer to Chapters 6, 9, 10, 11, and 12)
- ✓ An explanation of your marketing strategies (flip to Chapter 7)
- ✓ An analysis of your revenues, costs, and projected profits (check out Chapter 8)
- ✓ A description of your *business model*, or how you plan to make money and stay in business (go to Chapter 3)
- ✓ An action plan that anticipates potential detours or hurdles you may encounter (head to Chapters 4, 5, 6, 7, 13, and 16)
- ✓ A handbook for new employees, describing who you are and what your company is all about (refer to Chapter 15)
- ✓ A résumé you can use to introduce your business to suppliers, vendors, lenders, and others (look in Chapter 15)

Knowing what can go wrong without a plan

The many benefits of having a business plan should be enough to convince you. But in case you're still wavering, consider what can go wrong if you don't take time to plan. You risk

- ✓ Running out of cash before you open your doors because you haven't anticipated your start-up costs
- ✓ Missing sales projections because you don't really know who your customers are and what they want
- ✓ Losing customers because your quality or service falls short
- ✓ Becoming overwhelmed by too many options because you never took the time to focus on a mission and vision for your company
- ✓ Going bankrupt because you don't have a rational business model or a plan for how to make money



Take our word for it: Time spent putting together a solid business plan is time well spent. In fact, the more time you spend, the better prepared you'll be. But don't be overwhelmed at the prospect. The basic components of a business plan are fairly simple.

The Anatomy of a Business Plan

Written business plans are as varied as the companies that compile them. Some plans run almost 100 pages. Others barely fill a few sheets. Some plans start with executive summaries, and others plunge right into detailed descriptions of products and services. Here you can discover the basic components of a business plan and adapt yours to meet your needs.

Business-plan contents from beginning to end

Although business plans come in all shapes, sizes, and formats, they typically share a similar framework. The following components, presented in the order they generally appear, are common elements in most business plans:

- ✔ **Table of contents:** This element is a guide to the key sections in your business plan and is especially useful if your plan exceeds ten pages.
- ✔ **Executive summary:** This section is a summary of the key points in your business plan. You should incorporate it if your plan runs more than ten pages and you want to convey important information upfront. You want to keep it clear, captivating, and brief — in fact, try to keep it to two pages or less.
- ✔ **Company overview:** This section describes your company and the nature of your business. It may include your company's mission and vision statements as well as descriptions of your values, your products or services, ways your company is unique, and what business opportunities you plan to seize. (Turn to Chapter 3 for help defining your business purpose and developing your company overview.)
- ✔ **Business environment:** This section includes an analysis of your industry and the forces at work in your market; an in-depth description of your direct and potential competitors; and a close look at your customers, including who they are, what they want, and how they buy products or services. It describes everything that affects your business that's beyond your control. (Count on Chapter 4 to help you zoom in on your environment and develop your analysis.)
- ✔ **Company description:** In this section, include information about your management team, your organization, your new or proprietary technology, your products and services, your company operations, and your marketing potential. (Check out Chapter 6 for help in writing your company description.)
- ✔ **Company strategy:** This section brings together the information about your business environment and your company's resources and then lays out a strategy for going forward. (As you prepare this section, you can find Chapter 5 an indispensable resource.)
- ✔ **Marketing plan:** This section is where you describe how you plan to reach prospects, make sales, and develop a loyal clientele. (Chapter 7 focuses exclusively on helping you develop your marketing plan.)
- ✔ **Financial review:** This section includes a detailed review of dollars and cents, including the state of your current finances and what you expect your financial picture to look like in the future. It typically contains financial statements, including an income statement, your balance sheet, and a cash-flow statement. (If any of these terms seem foreign to you, or if you want step-by-step financial planning advice, see Chapter 8 for all the details.)
- ✔ **Action plan:** Here you detail the steps involved in implementing your business plan, including the sequence of actions and how they align with your goals and objectives. (Flip to Chapter 3 for advice on establishing goals and objectives and then turn to Chapters 15 and 16 for information on how action plans ensure that you'll put your business plan to work.)

- ✓ **Appendixes:** This section includes detailed information that supports your business plan. It may include analyses, reports, surveys, legal documents, product specifications, and spreadsheets that deliver a rounded understanding of your business plan but which are of interest to only a small number of your readers.



Form 1-1 on the CD-ROM features the preceding list of the major components of a typical business plan. As you get down to the business of writing your plan, use the items on this form as a checklist, ticking off the major components as you complete them.

Keep in mind: There is no single textbook example of a written business plan. For that reason, we don't provide any rigid business-plan models in this book. Instead, you find information on how to develop each of the major components, advice for how business plans tend to work for different kinds of businesses, and ways you can organize and present materials in your written plan. We also offer plenty of examples from real-life business plans, including mission statements, goals and objectives, financial statements, and business models. How you put them all together in your plan depends on the nature of your business and what you hope to achieve. As you assemble the one-of-a-kind plan for your business, turn to Chapter 14 as your guide. It brings together all the planning information referenced throughout this book into a template that can help you see what goes where and which elements are essential to cover in your unique business-planning situation.

Frequently asked business-plan questions

If you're like most people who get this far into the business-planning process, you have questions. We answer the most frequently asked questions about writing business plans in the following list:

- ✓ **Do I really need to include all these sections?** Nope. Your business plan should include only what's important to you and your company. If your plan is short — or written mostly for your own purposes — you can dispose of the executive summary, for example. And if you're a company of one, you probably don't need a section describing the organization of your business (unless you need a little help in getting organized!).



For most businesses, however, the more complete your business plan is, the better off you are. If yours is a one-person operation, for example, you may figure you can do without the company overview section because you already know what your business is all about, right? Well, you may find that by compiling that section — by putting your mission, vision, values, product offering, and unique attributes into words — you uncover new ideas about what you really plan to do with your business. And that exercise can be extremely valuable for any company, no matter how large or small it is.

- ✔ **Do I really need to write it all down?** The one-word answer is yes. Creating a written plan forces you to face tough issues that you may otherwise ignore. When you put your thoughts down on paper, you give each question the attention it deserves. For example, when you write your business plan, you define your customers and your strategy for reaching out to them; you also analyze your competition and how your offerings compare to theirs; you uncover market opportunities to seize and threats to buffer yourself against; and you establish a set of goals and objectives — along with your action plan for achieving success. And when you're done, you have it all in writing for quick, easy, and frequent reference.
- ✔ **How long should my plan be?** As long as it needs to be and not a single word longer. A business plan as thick as a Stephen King novel doesn't impress anyone. In fact, a plan that size is likely to scare people off. What really impresses investors, clients, employees, and anyone else who may read your plan is clear, straightforward, and to-the-point thinking. Don't go overboard in the cutting room or leave anything important out of your plan purely for the sake of keeping it brief, but do condense every section down to its most important points. Even comprehensive plans usually fit on 20 to 30 pages, plus appendixes. And that makes many 100-page business plans about 75 pages too long!
- ✔ **Is an economic downturn any time to start a business?** Since the first edition of *Business Plans Kit For Dummies* was first published, financial bubbles have risen and burst. The economy has climbed to historic highs and undergone unprecedented slumps. Those ups and downs have created a business environment of great uncertainty. Especially in an economic downturn, a reasonable question to ask is, "Is this a good time to plan a new venture?" In fact, it may be one of the best times. Any business that competes on price can expect to fare well during slow economic times. High-end restaurants may suffer, for example, but pizza chains flourish. A downturn is precisely the right time to begin planning for when the economy turns around. Career consulting firms that recruit top-notch talent when the economy is slow can expect sizzling business when hiring picks up.

Understanding Your Starting Position

Every business comes to the planning process with different issues and goals. Most start-up businesses understand the importance of business planning. Without a plan, they usually can't get funding.

But business planning is an ongoing process for all businesses — or at least it should be. Effective planning keeps established companies on track. It serves as a guide for companies that plan to launch a new product or service or introduce a new marketing program to seize new business opportunities. A plan is also essential for companies in trouble who want to chart an effective

turnaround. Even companies that are looking to go out of business need a plan if they intend to put themselves up for sale or merge with another business.

The purpose and the process of business planning, in other words, are different, depending on your starting position. The following sections describe some of the most common starting positions.

Planning for a start-up

A start-up company begins with a new idea and high hopes. A business plan helps these new ventures evaluate their new idea, potential market, and competition. The critical questions that a business plan for a start-up must address are

- ✓ Does this new venture have a good chance of getting off the ground?
- ✓ How much money will the business need to get up and running?
- ✓ Who are your customers, and what's the best way to reach them?
- ✓ Who are your competitors, and what's the best way to outrun them?
- ✓ Why will customers choose your new product or service instead of your competitors'?

Planning for a solo business

Millions of people work for themselves in businesses called sole proprietorships. They range from accountants and attorneys to artists and musicians. Many never consider drafting a business plan, which is too bad. For people who want to be their own boss, a business plan helps zero in on several key questions:

- ✓ Are you prepared for running a company of one?
- ✓ How can you turn something you love to do into a profitable business?
- ✓ What resources will you need to get your business off the ground?
- ✓ What much should you charge for your product or service?
- ✓ What opportunities or partnerships could you explore to deliver more business?

Chapter 9 provides valuable information if you're a one-person business.

Planning to address changing conditions

Especially during rocky economic times, many existing businesses try to retool themselves. The critical questions a business plan must address are

- ✓ What are the economic realities you face?
- ✓ How can you reshape the company and its products or services to compete in the new economic environment?
- ✓ What steps do you need to take to reach the goal of achieving those changes?

Head to Chapter 13 for more detailed advice to help you deal with a rapidly changing world.

Planning to seize growth opportunity

Even successful companies can't rest on their laurels. To remain successful, they have to continue to compete. For many, that means recognizing and seizing opportunities to grow their businesses. For companies charting a strategy to grow, a business plan must address several key questions:

- ✓ Where do the best opportunities for growth lie?
- ✓ Who are your competitors in this new market?
- ✓ Can you take advantage of technological innovations?
- ✓ How can you best compete to grab new market share?

Turn to Chapters 5 and 10 for more detailed advice to help you run your business.

Setting Out Your Planning Objectives

With a thousand issues clamoring for the precious hours in your day, committing time to plan your company's future isn't easy. But operating without a plan is even harder — and even more time-consuming in the long run. We can give you dozens of good reasons to plan.

Two steps can help you get started. The first is to define your business situation and how a business plan can help you move your business from where it is to where you want it to be. The second is to list the ways that a business plan can heighten your company's odds of success. The next two sections lead the way.

Defining your business-planning situation

To get your business where you want it to go, you need a map to follow, which is what your business plan is all about. It starts with a description of your current situation; describes your future plans; defines your opportunities; and details the financial, operational, marketing, and organizational strategies you'll follow to achieve success.



Imagine that your company is a ship about to set sail on an ocean voyage. Your business plan defines your destination and the route that you'll follow. It details the supplies and crew you have on board as well as what you still need to acquire. It forecasts the cost of the voyage. It describes the weather and sea conditions you're likely to encounter along the way and anticipates the potential dangers that may lurk over the horizon. Finally, your business plan identifies other ships that may be attempting to beat you to your destination.

The same kind of planning is necessary back on dry land. To navigate a new course for your company, you need to start with an assessment of where your business is right now. You may be putting your business together for the first time. Or your business may be up and running but facing new challenges. Or perhaps your business is doing well and about to launch a new product or service. Once you assess your current situation, you need to define where you want to arrive and what strategies you'll follow to get there.



To define your current business situation, use Form 1-2 on the CD-ROM. It lists some of the many situations that companies face as they embark on the planning process. Take a few minutes to check off the situations that apply to your circumstances.

Making a wish list for your business plan

Setting out your priorities in the form of a business-planning wish list can help you focus your efforts. With a completed plan in hand, you can return to this list to make sure that it achieves everything on your list of priorities.



To create your own wish list for business planning, use Form 1-3 on the CD-ROM. It lists some of the items that top the list for businesses embarking on the planning process. It also allows you to fill in items of your own. Place a check mark beside the items that are on your wish list. After you've completed the form, assign a priority (low, medium, or high) to the items you've checked. Keeping this form handy as you go through the planning process will help you stay on track to meet your planning goals.

Write a plan; make more money

For proof that a business plan is important, consider this example. When the Kauffman Center for Entrepreneurial Leadership surveyed the annual winners of its Entrepreneur of the Year Award, it found that companies with written

business plans had 50 percent greater sales growth and 12 percent higher gross profit margins than companies without plans. How's that for incentive?

Identifying Target Audiences and Key Messages

Your business plan is the blueprint for how you plan to build a successful enterprise. It's a comprehensive document that covers a lot of territory and addresses all sorts of issues. To help focus your efforts, consider which groups of people will have the greatest impact on your success. Those groups will be the primary audiences for your business plan.

For example, if you need capital investment, investors will be your primary audience. If you need to build strategic alliances, you want to address potential business partners. You and your team are another key audience for the plan, of course, because it will serve as your guide. Be sure to keep that fact in mind as you fine-tune the messages you want to convey.

After you know *whom* you want to reach with your business plan, you can focus on *what* those readers will want to know and what message you want them to receive. These sections help you define your audience and your message before you begin to assemble your plan.

Your audience

All the people who have an interest in your business venture — from investors and lenders to your employees, customers, and suppliers — represent different *audiences* for your business plan. Depending on the situation you face and what you want your company to achieve through its plan, certain audiences will be more important than others:

- ✓ If your company seeks investment capital, your all-important target audience is likely to be filled with potential investors.
- ✓ If your plan includes the introduction of stock options (possibly in lieu of high salaries), your current and prospective employees will be a primary target audience.

- ✔ If you're launching a business that needs clients, not cash, to get up and running — the sooner the better — potential customers will comprise your plan's primary audience.
- ✔ If you're a self-employed freelancer, your plan may be for you and you alone to focus your efforts, chart your course, and anticipate problems before they arise.



Form 1-4 presents a list of the most common audiences for a business plan. Check off the groups that you think will be most important to your business success, given your current situation.

Your message

After you target the audiences for your plan, the next step is to focus on the key messages you want each group to receive. People with different stakes in your business will read your business plan with different interests and values. For example:

- ✔ A person who owns shares in a company wants to read about growth plans.
- ✔ A banker considering a loan request wants to see proof of strong revenue and profit prospects.
- ✔ Employee groups want to see how they'll benefit from the company's growth and profits.
- ✔ Regulators focus on operational and financial issues.

For advice on targeting and talking to your key audiences, including information on which parts of the business plan various audiences turn to first and how to address multiple audiences with a single plan, turn to Chapter 14.



But for now, do some preliminary planning, using Form 1-4 on the CD-ROM:

1. Identify the three most important audiences you intend to address with your business plan.

For help, refer to the list of common audiences in Form 1-4.

2. Jot down key points you need to make to each target audience.

Writing down your key points doesn't require fancy prose; just get your ideas down on paper so you can refer to them when you begin writing your business plan.

Business planning as a test drive

Business planning sets the course that you intend to follow. But a good business plan also functions as a kind of test drive. It allows you to think about all the parts you need to have in place to make your company run at peak performance.

A good business plan is also your chance to anticipate bumps or sharp turns that may lie ahead — including economic uncertainties, competitors on the same racetrack, and your particular strengths and weaknesses. Many companies discover that business planning allows them to conduct a virtual test of a new product or service idea or a proposed strategy for a turnaround. Along the way, they get to work out the kinks and avoid problems that, in the real world, may have left them broken down on the shoulder of the road. Many companies end up retooling their product, service, or strategy as a result of the business planning process.

Establishing Your Plan's Time Frame

Your *time frame* represents how far out into the future you want to plan. You want your business to grow successfully for years and years into the future, but that goal doesn't mean your current business plan goes all the way to forever. Each business plan covers a unique planning period. Some are designed to get a company to a defined sales level, a funding objective, or the achievement of some other growth goal. A good business plan covers a time frame that has a realistic start and finish, with a number of measurable checkpoints in between. The sections that follow help you determine how far into the future your plan should extend. They also encourage you to identify the important milestones that will be used to chart your progress.

Committing to a schedule

How far out should your planning horizon go? Your answer depends on the kind of business you're in and the pace at which your industry is moving. Some ventures have only six months to prove themselves. At the other end of the spectrum, organizations that have substantial endowments, such as nonprofits, are in for the long haul with business plans that look at five- or ten-year horizons. Typical business plans, however, tend to use one-year, three-year, or five-year benchmarks. (Odd numbers are popular, for some reason.)



Business planning is an ongoing process. From year to year — and sometimes more often than that — companies review, revise, and even completely overhaul their plans. As you establish your time frame, don't worry about casting it in cement. Instead, think of your schedule as something you commit to follow unless and until circumstances change and you make a conscious decision to revise it.

Defining milestones

Setting goals and establishing measurable objectives is a critical part of business planning. (Take a look at Chapter 3 to find out more about setting goals and objectives.) But knowing your goals and objectives isn't enough. You can't just say you'll get around to achieving them; you need to establish and hold yourself accountable to a schedule that includes specific milestones along the way.



Figure 1-1 shows how a retail store specializing in digital equipment (cameras, recorders, and other devices) answered five basic questions in order to establish a reasonable time frame for its expansion plans. Based on their answers, the owners determined that the business would need one year to open new stores and achieve profitability. Over that yearlong planning period, they defined a number of milestones:

- ✓ **Month 1:** Complete business plan.
- ✓ **Month 2:** Secure business loans.
- ✓ **Month 3:** Begin search for retail space.
- ✓ **Month 5:** Lease and develop retail space; begin hiring.
- ✓ **Month 7:** Open shops; run holiday ads.
- ✓ **Month 8:** Holiday shopping season begins.
- ✓ **Month 12:** New stores become profitable.



To establish a time frame for your business plan, look over the questions on Form 1-6 on the CD-ROM and answer the questions that are relevant to your situation. Your responses will help you set a time frame that includes your key milestones and takes into account your business trends and cycles and the competitive and financial realities of your business.

Business Plan Time Frame Questionnaire		
1. Identify three milestones that represent essential steps you need to take to get your business off the ground or to the next level of achievement. Estimate a time frame for each.		
• Milestone 1:	Secure business loans.	(2 months)
• Milestone 2:	Lease and develop four locations.	(5 months)
• Milestone 3:	Get all shops up and running.	(8 months)
2. Is the success of your business tied to a major business trend? If so, what is the time frame?		
The emerging market for digital devices — already underway, with new products scheduled for release every quarter		(5 months)
3. Is your business seasonal in nature? When do you need to have your product or service available to take advantage of the peak season?		
Holiday sales represent 50 percent of our revenue.		(8 months)
4. How soon do you need to make your product or service available to stay ahead of your competition?		
Consumer electronics is extremely competitive.		(ASAP)
5. When do you absolutely need to start making a profit or meet your profit projection?		
Moderate financial pressure on the company.		(Within 1 year)

Figure 1-1: The questions included in this form help determine an appropriate time frame for your business plan.

Preparing for the Real World

You're about ready to dive into the business-planning process. By now you're pretty certain about the purpose and benefit of your plan, and you have a fairly clear idea of whom you want to read your opus when it's ready and what you want them to find out and do as a result. You may even have a preliminary idea of your planning timeline. (If any of that sounds like Greek, look back at the preceding sections in this chapter.)

Before you turn to Chapter 2 and dive into the planning process, however, take a minute to become aware of some of the many resources you can turn to for additional tips and tools along the way.

Locating informative resources

You're certain to have questions as your business planning gets underway. For example, you may want to find out about trends in your industry or marketplace or obtain information on your customers or competitors. Maybe you need more information before you develop your marketing plan or need

help with your finances. Luckily, you have plenty of places to turn to for help. Here's a list of the places you can check out for more information:



- ✔ **The Internet:** You can dig up information on markets, customers, competition — you name it. The challenge of the Internet these days is wading through the abundance of material to find what you need from reliable sources. Check out reputable industry or government sources, as well as sites vetted by colleges or universities.

Many companies have discovered that customer reviews on websites are one of the best places to turn for information about what customers like and don't like about products and services already on the market. Every complaint you see on a website represents a potential business opportunity.
- ✔ **Your local college or university library:** The periodical section of your library has business journals and other useful publications, and the reference shelves contain books on market demographics, industry trends, and other factual resources.
- ✔ **A nearby business school:** Many schools offer seminars or night classes open to the public, and professors are usually happy to answer your questions.
- ✔ **Industry trade journals:** Yes, the subscriptions are sometimes pricey, but they're often well worth the investment.
- ✔ **Newspapers:** No matter what your business, *The New York Times*, *The Wall Street Journal*, and a local paper keep you on top of issues you should follow.
- ✔ **Trade shows and industry symposiums:** These gatherings are usually great places to get news about products, services, customers, and your competitors — all under one roof.
- ✔ **U.S. Small Business Administration (SBA):** A rich resource for just about everything you want to know about starting and running a small business. Look online at www.sba.gov.
- ✔ **Search and research companies:** Using these resources comes with a price, but sometimes a LEXUS/NEXUS search or a market-research study is the only place to find must-have data.
- ✔ **Professional groups:** Almost every profession has a professional group, from the American Medical Writers Association to the Society of Wetlands Scientists. Find the group that serves your business arena and check out the website and membership requirements.
- ✔ **Local business networking groups:** These groups are comprised of members with experience, insights, and even business referrals to share.
- ✔ **Your local chamber of commerce:** This organization is a good vehicle for networking and staying abreast of local and state issues and can serve as a resource for all sorts of business and regional information.

Seeking expert advice

When you can't find the answers to specific questions, ask for advice. For example, if you're thinking of starting a retail business in town, ask other retailers to fill you in on what you need to know. If you want to break away from the corporate grind and go into business for yourself, schedule a lunch with someone who has made a similar move to discover what it takes. You're sure to get an earful of useful firsthand advice to implement in your business planning.



As you interview industry contacts — or people with experience in similar businesses — follow these steps:

- ✓ **Prepare your questions in advance.** With a little advance planning, you won't forget to discuss something really important.
- ✓ **Explain exactly why you're asking for help.** You can't expect people to be open with you if you aren't honest with them.
- ✓ **Be prepared to listen.** Even if you hear something you don't want to know, listen anyway. Anybody who warns you about potential obstacles is doing you a big favor.
- ✓ **Keep the conversation open-ended.** Always ask whether you should be thinking about other issues or addressing other topics.
- ✓ **Build your network of contacts.** Ask for introductions to others who may be helpful or for suggestions for sources of useful information.
- ✓ **Be grateful.** Pick up the lunch or dinner tab. Write a quick thank-you note. **Remember:** You may need to turn to the same people later for additional advice or help.

Sharing the load

Unless you want to feel overwhelmed and burdened, you need to identify the key people who can help you during the business-planning process. If you're in business on your own, chances are you'll shoulder most of the business-planning efforts yourself. If you're part of a business team, enlist the help of others in your company. For one thing, people with different backgrounds have different perspectives that add breadth and depth to your business plan. What's more, by involving key people in the planning process, you ensure that they have a strong stake in getting results after you finish the written plan.



If you're in a big company, you may delegate a lot of the work involved in creating and writing a business plan. Some companies even hire consultants to handle parts of the process. The downside of sourcing the work to outsiders is that you may end up with a plan that doesn't really reflect what's happening in your company. Worse yet, you may fail to win the commitment of the managers who are ultimately responsible for putting the plan into action. To get inside, make sure that your senior management team plays a central role. The marketing team, for example, may be charged with writing the company-strategy section, and the Chief Financial Officer (CFO) is an obvious choice for completing the financial review. And think about asking someone in corporate communications to write a crisp, clear, to-the-point executive summary (but wait until all the other parts of the plan are completed and ready to be summarized).

Staying on track



To organize your business-planning process, use Form 1-7 on the CD-ROM. It lists the major components of a typical business plan and provides spaces for you to assign names and dates. If you intend to delegate, you can use this form to keep track of who's in charge of which business plan component and when it's due. If you're planning all by yourself, you can use the form to track your progress.



When you enlist help in putting together a plan, you're probably asking the people around you to take on more than their usual workloads. To avoid overwhelming the office, create a reasonable schedule for getting the work done. And to keep everyone motivated, share the importance of the planning process. (See the section "Tallying up the benefits of having a plan," earlier in this chapter, if you need ammunition.) If you're asking people to put in overtime, reward them for their efforts. A dinner out to celebrate important milestones in the planning process can go a long way toward keeping enthusiasm high.



Because business planning involves a lot of brainstorming, discussion, vision, and revision, it generates a lot of paperwork. To keep track of it all, name one person to be the keeper of a loose-leaf notebook containing all the materials related to your plan. If you're on your own, that person is you. If you're heading up a planning team, make sure to assign a person who's a natural-born organizer.

Finally, consider using business-planning software to help you through the process. All sorts of tools are available — from freeware and shareware programs to full-service commercial software. You can find a number of software tools, trial versions, and demos on the CD-ROM — see the appendix for details.

Forms on the CD-ROM

Check out the following forms on the CD-ROM designed to help you get ready to start the business-planning process:

Form 1-1	Major Components in a Typical Business Plan	A checklist of the most common sections found in a typical business plan
Form 1-2	Typical Business-Planning Situations	A variety of situations that typically prompt business-planning activity
Form 1-3	Business-Planning Wish List	A checklist of your main objectives in writing a business plan
Form 1-4	Checklist of Common Business Plan Audiences	Examples of groups and individuals who may have a stake in your business plan
Form 1-5	Business Plan Target Audiences and Key Messages	A form for listing the key audiences for your business plan and the messages you want each to receive
Form 1-6	Business Plan Time Frame Questionnaire	Questions to help you determine the best time frame to use for your business planning
Form 1-7	Business Plan Tracker	A form you can use to keep track of who's in charge of each business plan component and when it's due