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Planning For Your Business

The Time to Start is Now

Many businesses, especially those with few employees or driven by a lone entrepreneurial soul, are guilty of operating purely on gut instinct or in a reactive fashion, rather than proactively and with deliberation. This is often due to the fact that either a formal Business Plan was never in fact written, or if it was, it was subsequently shoved into a drawer or filing cabinet and hasn't been dusted off in ages.

While it's true in business, as in war, that plans rarely survive contact with the enemy (in the case of business, market realities), this doesn't mean that taking the time to plan is wasteful. The adage that "failure to plan is planning to fail" holds more truth than many might like.

The Business Plan

Writing a Business Plan understandably may seem very daunting if you've never done so before, but as with any task, it can be broken down into manageable parts to make the process more palatable. Even a cursory online search will reveal a variety of sources, some free and some not, which provide consultation services for this process, or even templates to use in writing the plan. Likewise, you will find various recom-

mendations for what should be included in the plan, which may differ depending on the intended audience, although as a general guideline I tend to structure Business Plans with the following "master" sections:

- *Executive Summary*
- *Company Overview*
- *Products & Services*
- *Industry Analysis*
- *Strategy & Implementation*
- *Management Team*
- *Financial Plan*
- *Exhibits / Appendices*

Of course, each of these sections is further organized into logical sub-sections which build upon the business "story" and support the contention that there's a market for your products / services and a compelling reason you will succeed.

DIY or Hire an Expert?

There are different schools of thought on whether it's best to write the Business Plan yourself or hire an outside party to do it for you. While the latter path is often appealing because it takes a task off of an entrepreneur's already overflowing plate, there is some merit in at least attempting to write a draft your-

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self, or getting up to speed on what the process entails. There is some good off-the-shelf Business Plan writing software which can help you get started, and you should not overlook free resources such as SCORE (www.score.org).

Of course, if you are seeking to raise outside capital, whether debt or equity, from individuals, institutions, private equity groups or VC's (and no, the aforementioned are not all the same), it may be a good idea to engage a professional that can ensure you have a polished, well reasoned, and internally consistent document that can survive intense scrutiny.

You also must remember that Business Plans are dynamic, "living" documents and out of necessity, will change over time, due to both external and internal pressures and realities. And understand that there are a myriad of providers, some qualified and some of dubious nature, that offer Business Plan writing services at price points ranging from a few hundred dollars to tens of thousands of dollars. As a general rule, it has been my experience that unless you have a very generic business (which doesn't bode well for your survival long-term), you can expect to spend at least 50 to 100 hours developing most well-considered Business Plans (and for complex projects, considerably more), so you do the math when it comes to calculating reasonable rates.

Above all, *caveat emptor*, and consider that an [SBA analysis of startups across multiple industries](#) found that over a ten-year period (1992-2002), only 45 per-

cent were still alive at the five-year mark and only 29 percent were still doing business after ten years. I cite this not to scare you, but to educate you on the importance of proper planning, not to mention smart execution.

To Get You Started

Some clients find it highly useful to develop a **Strategic Brief** before tackling the formal Business Plan. This concise document is designed to put a stake in the ground to clarify 9 key issues facing a business which must be answered for any planning to be meaningful. These issues include: **SWOT Analysis; Management Vision; Mission Statement; Corporate Values; Business Objectives; Key Strategies; Primary Goals; Secondary Goals; and Strategic Action Items.**

To receive Black Rock Consulting's free, no obligation **Strategic Brief Assessment Worksheet**, give us a call or email us today!

For Additional Information:

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