

## Chapter 1

# Starting Your Planning Engine

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### *In This Chapter*

- ▶ Understanding the contents, use, and value of a business plan
  - ▶ Identifying the people who will read your plan
  - ▶ Setting your business time frame and milestones
  - ▶ Launching the business-planning process
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**B**ecause you're holding this book, the task of writing a business plan has probably made its way to the top of your to-do list. Now you want to know what's involved in the process and which actions to take first when writing your business plan.

Well, that's exactly what this first chapter of *Business Plans Kit For Dummies*, 2nd Edition, is all about. It confirms your hunch that business planning is not only important, but also essential — when you start your business and at every growth stage along the way. Plus, it helps you think clearly about why you need a business plan, who your business plan is for, what key components you need to include, and what kind of time frame is reasonable.

Writing a business plan is a big task, but this book makes it manageable, and this chapter provides a quick and easy overview to get you oriented and on your way to business-planning success.

## *Committing to the Business-Planning Process*

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. You took the most important step when you made the decision to write a business plan. Now you need to convert that decision into action — starting by dedicating your time and effort to the process.

As you carve time out of your calendar, these two steps will keep you motivated:

- ✓ 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.
- ✓ 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.



Take a minute to think of your company as 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 — in other words, what current business situation you want to address or overcome. 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 1-1 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.

### **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?

TYPICAL BUSINESS-PLANNING SITUATIONS	
<input type="checkbox"/>	<p><i>We think we have a good idea, but we're not sure if we're being overly optimistic.</i></p> <p>The process of putting together a business plan can be a powerful reality check. While crafting your plan, you'll put your good idea to the test. Does your business proposition make sense? Are the assumptions you're making, in fact, true? Does your strategy fit in with prevailing business conditions? Do you have the resources you need? Will you really be able to attract customers? Can you actually make a profit? Do you have contingency plans in place if things go wrong?</p>
<input type="checkbox"/>	<p><i>We know we have a great idea. We're just not sure how to turn it into a real business.</i></p> <p>Turning a great idea into a successful business is exactly what a business plan is all about. One key part of your plan is likely to be a business model, for example, which describes exactly how your business intends to take in and make money. (Planning a not-for-profit? Your business model will describe where the money's coming from and how you plan to allocate it.) Most business plans also include detailed goals and objectives, which together create a road map for exactly how to turn that great idea of yours into a going — and growing — concern.</p>
<input type="checkbox"/>	<p><i>We need to convince investors that our great idea can make them lots of money.</i></p> <p>The only way to convince investors is with a solid business plan. Sure, you can point to a time in the heady days of the Internet boom when investors may have written a check simply because an idea sounded good or the entrepreneurs were energetic and talked the talk. But booms never last very long. Most of the time, investors want to see a strong and convincing business plan — one that makes a persuasive case that your company can turn a profit. They will take an especially close look at your business model and your financials. And the same goes for lenders. A complete and convincing business plan can help you get the loans you need to get your business up and running.</p>
<input type="checkbox"/>	<p><i>We're having a tough time attracting talented people in a highly competitive labor market.</i></p> <p>A strong business plan will help. Prospective employees need to feel confident that they're signing on with a company that knows what it needs to do to succeed. They also need to share in your vision and excitement. If your business plan points clearly toward an attractive destination, you'll have a very good chance of enlisting the kind of skilled and enthusiastic people you're looking for. If the plan also helps inspire new hires with a strong vision and mission, all the better.</p>

**Form 1-1:** This form lists typical business-planning situations that may match your circumstances.

- I'm thinking of going into business for myself, but I'm not sure where to start.*

Sole proprietors going into business on their own are often less likely than bigger companies to take the time to write a detailed business plan. But they really have as much or more to gain. Writing a business plan — particularly creating a detailed set of goals and objectives — gives you a simple framework to think about where to begin and how to follow through. If you're going into business on your own for the first time, a plan can help you sidestep problems and focus clearly on what you do best. Most important of all, a detailed and well-thought-out business plan gives you the confidence you need to go out and start your own business in the first place.

- Our company has hit a few big bumps in the road, and we're struggling to get back on track.*

Part of the business-planning process involves an analysis of your own strengths and weaknesses as well as a recognition of the opportunities and threats in your business environment. Establishing specific goals and objectives as part of a coherent, overall plan is especially important when your company is in trouble. An effective business plan ensures that all your employees are focused on the same goals when you most need them to be.

- We've had a few financial and personnel problems lately, and staff morale is low.*

A strong and inspiring business plan can bring your employees back together and boost morale. Two key parts of a good business plan — the mission statement and the vision statement — help make clear to employees not only what the company does, but also why it's in business. The two statements express both your purpose and what the company wants to become in the future. Many businesses use their mission and vision statements to inspire their people, boost productivity, and sharpen their competitive edge.

- We want to sell off part of the company so we can focus on what we're good at.*

You have two good reasons to write a business plan. One of the purposes of your plan will be to get the part of the company you're spinning off in shape and ready to sell — at the best price. The other purpose of your plan will be to help you set out goals and objectives for the remaining part of the company, allowing you to focus your efforts on what you do best. Whenever a company undergoes the kind of sweeping change you describe, it really becomes a new company. That's why writing a new business plan in this situation is so important.

- We have the opportunity to grow our business, but we're worried about growing too fast.*

Success can be a double-edged sword. It's great while the money keeps rolling in, but the pressure to grow has also derailed many a company. Effective planning can help you chart the best way for your own business to grow. A solid business plan will also help ensure that you have the necessary resources in place to support and power your growth.

- We're thinking about introducing a new product or service, but we need some guidance.*

Introducing a new product or service — or entering a brand new market with a product or service you already have — is very much like starting a business. You need to think through all the same issues, from whom your customers and competitors are likely to be to avoiding threats and seizing market opportunities. The process of creating a business plan helps you develop a strategy for introducing your new product or service, and then ensures that it becomes a successful part of the larger business.

Page 3 of Form 1-1.

## ***Buying into the value of business planning***

The time you invest in your business plan will pay off many times over. Following are some of the most obvious benefits you'll gain from business planning:

- ✔ A clear statement of your business mission and vision
- ✔ A set of values that can help you steer your business through times of trouble
- ✔ A description of your *business model*, or how you plan to make money and stay in business
- ✔ A blueprint you can use to focus your energy and keep your company on track
- ✔ A clear-eyed analysis of your industry, including opportunities and threats
- ✔ A portrait of your potential customers and their buying behaviors
- ✔ A rundown of your major competitors and your strategies for facing them
- ✔ An honest assessment of your company's strengths and weaknesses
- ✔ A road map and timetable for achieving your goals and objectives
- ✔ A description of the products and services you offer

- ✓ An explanation of your marketing strategies
- ✓ An analysis of your revenues, costs, and projected profits
- ✓ An action plan that anticipates potential detours or hurdles you may encounter
- ✓ Benchmarks you can use to track your performance and make mid-course corrections
- ✓ A “handbook” for new employees describing who you are and what your company is all about
- ✓ A “résumé” you can use to introduce your business to suppliers, vendors, lenders, and others

## *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. After you know *who* 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. This section helps you to 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 1-2 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 1-3 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 1-2.

### **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.

CHECKLIST OF COMMON BUSINESS PLAN AUDIENCES	
<input type="checkbox"/>	Yourself
<input type="checkbox"/>	Your Board of Directors
<input type="checkbox"/>	Investors and lenders
<input type="checkbox"/>	Senior management team
<input type="checkbox"/>	Current employees
<input type="checkbox"/>	New hires
<input type="checkbox"/>	Independent contractors
<input type="checkbox"/>	Vendors and suppliers
<input type="checkbox"/>	Customers or clients
<input type="checkbox"/>	Donors (for not-for-profits)
<input type="checkbox"/>	Distributors
<input type="checkbox"/>	Regulators
<input type="checkbox"/>	Advocacy groups
<input type="checkbox"/>	Others _____

**Form 1-2:** Use this checklist to identify the primary audiences for your business plan.

## *The Anatomy of a Business Plan*

Written business plans are as varied as the companies that compile them. Some plans run almost 100 pages, whereas others barely fill a few sheets. Some plans start with executive summaries, and others plunge right into detailed descriptions of products and services. Some companies print their business plans on paper, and some publish their plans exclusively on the Web. Some plans include page after page of financial projections, and others list only anticipated costs, expected revenues, and projected profits.

Every business plan is written for a different reason and to obtain a different outcome. Still, some plans are better than others. The following information helps you write a plan that will win high marks.

### *Business-plan contents from beginning to end*

Business plans come in all shapes, sizes, formats — even colors — but they all 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. Because many readers dig no deeper than your executive summary, 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. Think of this section this way: 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. Focus on areas where you have real advantages over your competition. (Check out Chapter 6 for help in writing your company description.)
- ✔ **Company strategy:** Here's where you detail your road map to the future. This section brings together the information about your business environment and your company's resources and then lays out a strategy for going forward. Included in this section is your analysis of the opportunities, threats, and uncertainties that your business faces along with the ways you plan to avoid pitfalls and take advantage of opportunities. (As you prepare this section, you'll 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. Because customers and sales are essential to your company's success, this section is a major component of your business plan. (Chapter 7 is devoted exclusively to 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:** In this section, 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 14 and 15 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.



The preceding list of the major components of a typical business plan is featured in Form 1-4 on the CD-ROM. As you get down to the business of writing your plan, use the items on Form 1-4 as a checklist, ticking off the major components as you complete them.

Not all business plans include all the components we list. In fact, you won't find a textbook example of a written business plan. For that reason, we don't provide any rigid business-plan model 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.

## *Frequently asked business-plan questions*

If you're like most people who get this far into the business-planning process, you have some questions right about now. You may even be at the hand-wringing stage. Well, you can put your mind to rest because, in this section, we answer the most frequently asked questions about writing business plans.

### *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 want to give yourself a plan for how to get organized yourself!).



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 can be an extremely valuable exercise for any company, no matter how big 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, such as

- ✓ How big is my market?
- ✓ Why will customers come to me and not my competition?
- ✓ How much money do I honestly need to get the business off the ground?
- ✓ When can I realistically expect to make a profit?
- ✓ What other opportunities can I take advantage of?
- ✓ What threatens my business?

By putting 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?*

The simple answer: 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, it's likely to scare them 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!

## *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 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.

### *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.

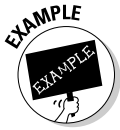


Figure 1-1 shows how a retail store specializing in digital equipment (cameras, recorders, and other devices) answered five basic questions in order to establish a reasonable time frame for its expansion plans. Based on their answers, the owners determined that the business would need one year to open 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 1-5 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.

## 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 who 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.)

BUSINESS PLAN TIME FRAME QUESTIONNAIRE		
<b>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.</b>		
• <b>Milestone 1:</b>	Secure business loans.	(2 months)
• <b>Milestone 2:</b>	Lease and develop four locations.	(5 months)
• <b>Milestone 3:</b>	Get all shops up and running.	(8 months)
<b>2. Is the success of your business tied to a major business trend? If so, what is the time frame?</b>		
	The emerging market for digital devices — already underway, with new products scheduled for release every quarter	(5 months)
<b>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?</b>		
	Holiday sales represent 50 percent of our revenue.	(8 months)
<b>4. How soon do you need to make your product or service available to stay ahead of your competition?</b>		
	Consumer electronics is extremely competitive.	(ASAP)
<b>5. When do you absolutely need to start making a profit or meet your profit projection?</b>		
	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.

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 instance, 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. When using search engines, enter your best-guess term for what you want to find, and you'll be amazed at the results. You can also visit industry Web sites for goldmines of information. And, by all means, go to the sites of your leading competitors to read company overviews, news releases, and all kinds of other information.

- ✔ **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](http://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 Web site 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 have to shoulder most of the business-planning efforts yourself. But that doesn't mean you can't enlist the help of friends or colleagues to read over what you've written and tell you whether it makes any sense. Outsiders bring a new perspective to your plan. Just remember one thing: You need honest opinions, so make sure the people you choose feel free to praise and criticize. The last thing you want is a yes-person giving you guidance.
- ✓ 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 1-6 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.

BUSINESS PLAN TRACKER		
<i>Plan Component:</i>	<i>Who's In Charge:</i>	<i>When It's Due:</i>
Executive Summary		
Company Overview		
Business Environment		
Company Description		
Company Strategy		
Marketing Plan		
Financial Review		
Action Plan		
Appendixes		

**Form 1-6:** Use this form to assign tasks and organize your business-planning process.



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 "Buying into the value of business planning" 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 computer software to help you through the process. Enter "business planning software" in your search engine to find all sorts of available tools — from freeware and shareware programs to full-service software. Also, count on the CD-ROM in this kit to supply you with nearly a hundred forms to use as you develop your business plan. 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	<b>Typical Business-Planning Situations</b>	A variety of situations that typically prompt business-planning activity
Form 1-2	<b>Checklist of Common Business Plan Audiences</b>	Examples of groups and individuals who may have a stake in your business plan
Form 1-3	<b>Business Plan Target Audiences and Key Messages</b>	A form for listing the key audiences for your business plan and the messages you want each to receive
Form 1-4	<b>Major Components in a Typical Business Plan</b>	A checklist of the most common sections found in a typical business plan
Form 1-5	<b>Business Plan Time Frame Questionnaire</b>	Questions to help you determine the best time frame to use for your business planning
Form 1-6	<b>Business Plan Tracker</b>	A form you can use to keep track of who's in charge of each business plan component and when it's due