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7 Reasons to Write a Business Plan

By Susan Martin

The national SCORE Association is a nonprofit organization dedicated to entrepreneur education and the formation, growth and success of small business nationwide. SCORE Portland is one of 389 chapters throughout the United States, with over 11,000 volunteers nationwide. SCORE is a resource partner of the U.S. Small Business Administration.

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Lots of business owners skip a crucial step to ensure the success of their companies – writing a business plan.

This detailed overview of your company and its future is commonly overlooked – often because it's a lot of work. However, it's some of the most valuable work you can do when starting up a business, which is why everyone from banks to venture capital companies require detailed business plans before they will even consider your business.

The process of creating the plan and thinking things through has helped many business owners learn what it takes to be successful.

Too often, business owners as so busy working “in” their business that they overlook the necessity to work “on the business”.

A business plan helps you do this. How can you improve the odds of success? Planning! And the way to start planning is by creating a business plan, and continuing to pull it out, look at it and tweak it as your business grows. So, even if you don't need to raise capital or borrow money, a plan can help your business significantly.

Some questions that a well-designed plan will answer:

- What does your particular industry look like right now
- and what will it look like in the future?
- What markets are you competing in – what will they be 5 years down the road?
- What specific competition will you be up against?
- What are their strengths and weaknesses?
- What products or services do you offer? Will they remain constant?
- What value (not features) do you provide to your customers?
- What long-term advantages do you have over the competition?
- How will you maintain them?
- How big and profitable will your business become?

- If you're using the plan to borrow money or attract investors: How much will you need & why?
- What action steps will you need to take to have your plan succeed?
- What will happen to the business when you retire or after
- your death?

As you may have realized, in order to create this detailed view of the future, you'll have to make a lot of projections, assumptions and predictions about what will happen.

The more research you do, the easier it will be to make educated ones. And, the longer you're in business the better you'll become at forecasting the future.

What are the top 7 reasons to write your business plan?

1. Make more money
2. Save time
3. Keep you on track and make it easier to be successful
4. Give you a chance to make mistakes on paper
5. Create a foundation for your company's growth
6. Make running a business easy and fun
7. And, keep you from making the same mistakes over and over again

So if you've been putting off working on your business plan, please reconsider – it may be more helpful than you realize.

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Susan Martin created Business Sanity to help business owners and independent professionals, who struggle with marketing, management and productivity Visit Susan at www.business-sanity.com or contact her at: susan@business-sanity.com