

## **The Importance of a Solid Business Plan**

### **Your Business Plan is Very Important**

One of the more bewildering aspects of business consulting is witnessing the secondary importance or low priority companies place on the preparation and presentation of their business plan. Almost an annoyance to many, the business plan is seen as a relatively useless document that is prepared as a formality and not as a necessity. The thought, energy and resources dedicated to the development of the business plan are minimal, and most often it is prepared in-house by an overly busy CEO or Vice President.

You may have heard a business plan enthusiast already. We are many in number and are strong in our faith. We believe the preparation of your business plan is one of the most crucial planning and strategy exercises you will ever perform.

A professionally prepared business plan serves three crucial business functions, all of which are crucial to the success of your company - thus the extreme importance of your business plan itself.

### **The Three Critical Functions of Your Business Plan**

- Your Thought Process - the process of researching and preparing your business plan will draw you into contemplating a wide variety of critical issues as you are forced to answer questions regarding your organization, processes, product, technology, market, market position, target customers, distinctive qualities, competitors, advantages, benefits, business model, sales channels, marketing strategies, financial requirements and more. By thinking through your operational plan, financial plan and business strategies you will have your initial set of operational and action items, leading to a more considered business approach, more rapid market penetration - and ultimately greater success.
- Your Business Blueprint - your business plan will define your goals, set them in a structure of time and resources required and action items to be taken to reach them. While not set in stone - every good business is flexible, responsive, innovative and dynamic - your business plan will be the foundation upon which your operations will be built.
- Your Passport to Capital - your business plan is your ticket to recruiting capital because, when done right, it gives investors not only the information they need to judge your company and measure your potential, but also boosts your credibility and instills confidence in your abilities.

Developing a business plan is as crucial to your company as developing your technology or your product. Dedicate the time and resources necessary to make it the best it can be, and make sure the people developing, creating and writing it have experience and a track record - very much like you would for any other critical task within your company.

