

## Key Steps to Developing a Quality Business Plan

There are many important steps to consider when developing a business plan for your company, but the first step is to fully understand the main uses of a business-plan.

The four main uses of a business-plan are as follows:

- A Business Plan is a written document that you can use in your search for external financing.
- A Business Plan is a tactical planning and management tool for your business.
- A Business Plan is a document showing the capacity of your team to control and manage all the aspects of the company.
- A Business Plan brings you new ideas to refine your project by checking and estimating the induced hypothesis.

### The necessity of Business Plans

The drafting or update of your business-plan is essential to the good management of your company. It can be used when searching for a business partner, for obtaining external financing, and for defining some stages of the development of your company, such as:

- The creation of your company.
- The launching of a new product.
- The establishment in a new market.
- The transfer, buy-out, or the structural development of your company.

### Should you call in a consultant or write the Business Plan by yourself?

You should be the main (if not single) author of your business-plan, because the Business Plan is, so to speak, your own "baby", it is a reflection of your personality; it is by this means that your investors will discover the person with whom they collaborate.

But your project may be too important and you may want to call in a consultant for help and consultation. Even so, you should stay in control of its development!

### Tips for developing a quality Business Plan.

1. To be credible, a business-plan must be coherent and each parameter in the Business Plan must be based on facts.
2. There are many methods to build Business Plans, but very few can help you correctly carry out reliable financial projections based on a preliminary commercial engineering and market study.

Indeed, one frequent mistake when building Business Plan's is to first define the target in terms of market share, and then try to "find" the number of customers necessary to fill these objectives! This process should be reversed.

3. In addition, one essential point in a Business Plan is to define concrete policies and measures. This definition aims to gain a reasonable number of customers, based on a sufficient knowledge of the market. The quantitative estimate of this gain must be calculated on realistic monthly and annual increase rates. A well-founded pricing policy then makes it possible to estimate the sales turnover in the years ahead.

The calculation of the costs of the planned actions in your Business Plan are essential and make overall financial projections possible. In short, financial forecasts – including those related to the financing of the project – must be elaborated from the basic elements of the project.

They should be preceded by a commercial engineering study which projects a realistic estimate of sales.

4. In a Business Plan, the marketing plans as well as the financial forecasts require a basic understanding of how these important elements are calculated. You can use good software – some of which is free – to facilitate the development of your Business Plan.

5. The last point and certainly not the least significant: A Business Plan is never ended "once and for all". A regular follow-up and comparison between the theoretical Business Plan and the reality of its execution are essential. You can then modify your Business Plan and adapt it to improve performance and achieve your goals.



# How Important Is Strategy In Your Business?

On a scale of one to ten, having a good business strategy rates about a fifteen!

No matter what kind of business you have -- whether you sell products or a service, as the saying goes, "if you fail to plan, then you're really planning to fail."

Creating a strategy can mean the difference between you working 60 to 80 hours a week all year long -- and then breaking even, or worse, losing money.

On the other hand, many successful entrepreneurs who have a strategy work fewer hours and make piles of money -- and they usually attribute their success to having a strategic plan and following it.

So what is strategic business management? Very simply, it's the process of defining the goals and objectives for your business, creating an action plan so you can reach them and then following the plan.

How do you create a strategic plan for you business?

1. First, know what your vision for your company is. If there were no barriers, nothing stopping you from taking your company as far as you could -- what would that look like?

2. Next, what are your company's core operating values? What are its guiding principles? In other words, why are you in business and how do you do business?

3. Now create a 3 to 5 year plan. Your long-term plan is based on the broad objectives that will help you get from where you are now, to where you want to be.

4. Develop a plan for this year. These are the specific objectives you plan to accomplish this year that will lead you closer to your long-term goals.

Remember to be "SMART" when setting your annual goals (Specific, Measurable, Attainable, Realistic, Time-oriented). Include a list of the barriers that are stopping you from getting where you want to go.

Figure out what resources you've already got, and what resources you need to get you past those barriers.

And then create an action plan that clearly lays out how you will achieve your goals. Involve key employees with this part of the planning process.



5. Create a set of milestones or benchmarks. This is very important, so that you can measure your progress.

6. Share the plan with your employees, and anyone else who will be involved in the process. Your annual strategy is the roadmap that will make sure everyone ends up at the same destination - but to be effective, everyone needs the same map!

7. Put the plan into action. Now that you have the roadmap, it's time to begin the journey.

8. Check your progress. Just like any trip, you need to check the map every now and then; to be sure you're still on the right road. If something isn't working, the sooner you figure it out and make the necessary adjustments, the sooner you'll be back on track.

9. Follow the same cycle next year. (Dream, Plan, Act, Check).

Creating a business strategy and following it will ensure that you enjoy the journey as much as getting to your final destination.

## Apply now for a no obligation, strategic review of your business.

A strategy review could help your company make a step change in its performance, productivity and profitability.

Our review will develop an agreed Business Development Proposal, which will identify the key steps needed to move the business forward, such as:

- Vision & Mission
- The Marketplace
- Sales & Marketing
- Operations
- Resources
- Finance
- Actions

### What do we actually do?

**Plan:** Meet to plan the review. This will provide us with the overview of the business.

**Assess:** One-on-one reviews with company stakeholders.

**Feedback:** This brings all the participants together for a two-hour session. From this a Business Development Proposal is facilitated.

**Implement:** develop an action based, time lined plan to deliver the objectives.

**Review:** meet regularly with you to measure the performance to targets.

Harry Goldstein, East Coast Consulting Pty Ltd, P.O. Box 402, Belmont, NSW, 2280  
Tel: 02 4945 2285 Fax: 02 4945 4228 Mobile: 0420 941 043  
harry@yourvirtualboard.com.au www.yourvirtualboard.com.au

*Don't waste time wishing for less competition - instead: Seek greater insight for your business!*

**Your Virtual Board**  
East Coast Consulting Pty Ltd