

Do You Know Where You Are Going?

As Yogi Berra once said, "You've got to be very careful if you don't know where you're going, because you might not get there."

A successful business plan is one that focuses your thinking, helps you establish a realistic business strategy, improves your operations, and wins for your company the financing and other support it needs.

Written business plans, broadly speaking, are usually put together for either of two purposes: to prepare for a significant event, such as obtaining financing, or to guide the company's operations for a particular period, usually a year.

Keep in mind, in writing the plan you'll invariably take two steps forward and one step back. It's an uneven path, fraught with unforeseen frustrations and difficulties. Thrashing out those difficulties is a key part of the planning process.

Being in business is a journey, not a destination -- with NO paved roads or freeways, despite what some franchisers would have you believe. Every business travels into the uncharted territory of the future. But, no matter how good a driver you may be, how well you know the route, or how quickly you can load and unload the vehicle, if you fail to put fuel in the tank, air in the tires, oil in the engine, water in the radiator, or otherwise adequately maintain and service the vehicle, it will soon grind to a halt. You'll go nowhere.

Sadly, this is the case with most small business owners. They're good drivers -- plumbers, hairdressers, retailers, lawyers, accountants, printers or whatever their trade or profession may be -- but they haven't a clue what's required to maintain and manage their vehicles. So they rarely make it to their chosen destinations. To complete the journey to your chosen destination you need a suitable business vehicle.

Who needs a plan? Anyone who starts or runs a business needs a plan. It's as simple as that ... no ifs, ands, or buts.

Don't think that you or your business is any different. Successful companies all have plans ... unsuccessful companies don't.

Why do *you* need a business plan? The main reason is *you*! A good business plan will help *you*. Writing a business plan is not as difficult or daunting as *you* might think and even if it were... it is something *you* must do anyway!

There are a few things that you can do right now to get started.

- 1) Think about the background and history of your company. Write a general description of your business, how long you have been in operation, and some basic financial details.
- 2) Write a few paragraphs about the nature of the products or services you offer. Use language that a non-expert will understand. What do you sell? How is the product used? What need does it serve?
- 3) Think about your competitive position in the market. Write out answers these few basic questions: What are the advantages of your product (cheaper, better quality, unique features, etc.)? Are there any disadvantages? (be honest!) Who is your competition? Describe their products, advantages and disadvantages.
- 4) Next think about your customers. Write a description of your typical customer. Who are they? Where are they? Why do they buy? When do they buy? Who makes the decision to buy?
- 5) Write a clear statement of your business objectives. What are your goals, in terms of sales, profits, traffic to your website, etc.? Set some objectives for 3 months, 6 months, one year, and two years. Start by thinking about your one-year goals, and then work backwards to formulate the benchmarks you need to reach at 6 months, and then 3 months from now.

These are just a few of the considerations that need to go into a powerful business plan, but even these five points will get you started. Spend some time on your business plan; you owe it to yourself and your business.

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