



miller bernstein LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
CHARTERED ACCOUNTANTS

Business Planning 101: What You Need to Launch



You need tons of dedication and drive to launch a business, and even more to successfully operate and grow it. A business plan is the essential tool to map out and execute your vision. Adopting a good business plan is the right way to translate your dream into reality.

Writing the Plan

You don't have to reinvent the wheel – you can visit numerous websites that offer business plan templates, and we don't need to obsess over those details here. However, we would be remiss if we didn't mention the vital points needed in your business plan. First, you'll need to research the market you wish to enter. You'll also have to consider financing, costs and revenues so that you have some idea of how much money you'll need to fund your business. Work with realistic numbers and assumptions – doing otherwise just wastes your time and everyone else's. You'll need to flesh out various plan sections describing how you will organize and operate your business, as well as discussing funding, cash flows, pricing, selling, marketing, equipment, staffing, etc. Remember, you will probably be sharing the business plan with a bank or some other source of financing, so don't try to be too fancy, but do make sure there are no spelling or grammatical mistakes. Nothing destroys your credibility faster than a poorly written document. If necessary, hire a professional writer or editor to add polish and snap to your plan.

Using the Plan to Launch Your Business

The reason you draw up a business plan is to guide you as you start up your business. The plan will help you maintain focus, especially if you follow these suggestions:

- **Consider All Details:** As you create your plan, you will undoubtedly have to grapple with issues that you never previously confronted. The business plan requires that you drill down into different scenarios and anticipate issues before they cost you time, money and emotional distress. Yes, you might be able to correct problems once they occur, but by that time, the fix will be riskier and costlier than had you anticipated the situation in advance. Big problems can seem overwhelming when first confronted. The well-considered contingencies you include in your business plan might prove to be critically useful for your venture's survival.



- **Find Funding:** Lenders and investors require the cold, hard numbers before they'll be willing to invest in your business. They will insist upon a written business plan that provides reasonable assumptions and calculations. That's not a bad thing, because it forces you to make sure your numbers add up. You don't want to appear vague when presenting your plan to lenders and investors. On the plus side, nothing concentrates your thoughts like the challenge of proving you have a handle on your business projections. If you are just beginning your business, carefully include *all* startup costs, so that you don't find yourself caught short early on.
- **Execute Your Plan:** Typically, your business will involve several interested parties, including vendors, customers and staff (hired or contracted). Your business plan serves to have all stakeholders reach consensus regarding goals, practices and policies. The plan lets you concentrate on the business' primary issues and not get bogged down on secondary considerations. If you put enough thought into it, your plan can serve as a framework that informs the bulk of your decision-making and operations.

It seems clear that the time you devote to writing a business plan will help guide your success as you launch your business. But keep in mind that the plan is only a plan, not scripture. You will no doubt have to adapt your plans to new information as reality unfolds, even as you stick to your overall mission. You should think of the plan as a living thing that must evolve as your business grows. Every day, compare your actual results with your projections. Doing so will allow you to rapidly detect plans that have gone awry, so that you can correct your course as soon as possible. Finally, keep the lines of communication open with your stakeholders, especially your lenders and investors – they are more likely to help in a pinch if you've consulted with them every step along the way.