

BANVEG CONSULT

What is a Business Plan?

A business plan is a formal written document containing business goals, the methods on how these goals can be attained, and the time frame within which these goals need to be achieved. It also describes the nature of the business, background information on the organization, the organization's financial projections, and the strategies it intends to implement to achieve the stated targets. In its entirety, this document serves as a road map that provides direction to the business

Who needs a Business Plan?

You need a business plan if you're running a business.

A business plan is like an eye, without it, you're traveling blind. With a plan, you set objectives, establish priorities, and provide for cash flow.

You need a business plan if you're applying for a business loan.

Most banks require it, and even those that don't strictly require it expect it. They expect it to be a summary of the business, with some predictable key points.

You need a business plan if you're looking for business investment.

The plan won't get you the investment, but not having a plan will mean you won't get investment.

Investors require a business plan. They invest in the people, the idea, the track records, the market, the technology, and other factors; but they look to the business plan to define and explain the Business.

You need a business plan if you're working with

The business plan defines agreements between partners about what's going to happen.

You need a business plan to communicate with a management team.

The day-to-day business routine is distracting, problems come up, opportunities appear, and commitments should be followed and tracked. How do you know where you are in business without establishing where you started and where you intended to go? How can people commit to a plan they can't see?

You need a business plan to sell a business, or to set a value on a business for tax or other purposes such as estate planning, or divorce.

Sadly, many of the people who need a plan don't know they need it. They get trapped by the myths of business planning. They don't realize that plans are not just for start-ups, loans, or investment. They don't realize that business plans are easier to develop than most people think. To succeed in business

you simply must plan the steps, set priorities, allocate resources, and manage the cash. Sure, some people say they don't plan, but if they're successful then they're actually always planning in their heads. And you can keep that plan in your head if your business is very simple, cash flow is always adequate, you don't work with other people, and you don't need to communicate your business plan with other people either.

Don't accept disadvantages in business. Don't try to run without a plan. Doing a plan is probably much easier than you think, and much more valuable.

Article By

Emmanuel Vinyo Gameli
CEO-Banveg Consult