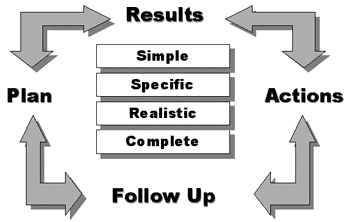
What Makes a Good Plan?

by Tim Berry

What factors are involved in creating a good business plan? Is it the length of the plan? The information it covers? How well it’s written, or the brilliance of its strategy. No.

The following illustration shows a business plan as part of a process. You can think about the good or bad of a plan as the plan itself, measuring its value by its contents. There are some qualities in a plan that make it more likely to create results, and these are important. However, it is even better to see the plan as part of the whole process of results, because even a great plan is wasted if nobody follows it.

**Planning is a process, not just a plan**  


A business plan will be hard to implement unless it is simple, specific, realistic and complete. Even if it is all these things, a good plan will need someone to follow up and check on it. The plan depends on the human elements around it, particularly the process of commitment and involvement, and the tracking and follow-up that comes afterward.

Successful implementation starts with a good plan. There are elements that will make a plan more likely to be successfully implemented. Some of the clues to implementation include:

1. Is the plan simple? Is it easy to understand and to act on? Does it communicate its contents easily and practically?
2. Is the plan specific? Are its objectives concrete and measurable? Does it include specific actions and activities, each with specific dates of completion, specific persons responsible and specific budgets?
3. Is the plan realistic? Are the sales goals, expense budgets, and milestone dates realistic? Nothing stifles implementation like unrealistic goals.
4. Is the plan complete? Does it include all the necessary elements? Requirements of a business plan vary, depending on the context. There is no guarantee, however, that the plan will work if it doesn’t cover the main bases.

**Uses of business plans**  
Too many people think of business plans as something you do to start a company, apply for a loan, or find investors. Yes, they are vital for those purposes, but there’s a lot more to it.

Preparing a business plan is an organized, logical way to look at all of the important aspects of a business. First, decide what you will use the plan for, such as to:

* Define and fix objectives, and programs to achieve those objectives.
* Create regular business review and course correction.
* Define a new business.
* Support a loan application.
* Define agreements between partners.
* Set a value on a business for sale or legal purposes.
* Evaluate a new product line, promotion, or expansion.

**No time to plan? A common misconception**  
“Not enough time for a plan,” business people say. “I can’t plan. I’m too busy getting things done.” A business plan now can save time and stress later.

Too many businesses make business plans only when they have to. Unless a bank or investors want to look at a business plan, there isn’t likely to be a plan written. The busier you are, the more you need to plan. If you are always putting out fires, you should build fire breaks or a sprinkler system. You can lose the whole forest for too much attention to the individual trees.

**Keys to better business plans**

* Use a business plan to set concrete goals, responsibilities, and deadlines to guide your business.
* A good business plan assigns tasks to people or departments and sets milestones and deadlines for tracking implementation.
* A practical business plan includes 10 parts implementation for every one part strategy.
* As part of the implementation of a business plan, it should provide a forum for regular review and course corrections.
* Good business plans are practical.

**Business plan “don’ts”**

* Don’t use a business plan to show how much you know about your business.
* Nobody reads a long-winded business plan: not bankers, bosses, nor venture capitalists. Years ago, people were favorably impressed by long plans. Today, nobody is interested in a business plan more than 50 pages long.

**About Tim Berry**

Founder and President of Palo Alto Software and a renowned planning expert. He is listed in the index of "Fire in the Valley", by Swaine and Freiberger, the history of the personal computer industry. Tim contributes regularly to the bplans blog, the [Huffingtonpost.com](http://www.huffingtonpost.com/tim-berry) as well as his own blogs, [Planning, Startups, Stories](http://blog.timberry.com/), [Up and Running](http://articles.bplans.com/writing-a-business-plan/what-makes-a-good-plan/upandrunning.entrepreneur.com), and [Planning Demystified](http://www.allbusiness.com/3476477-1). His full biography is available at [timberry.com](http://articles.bplans.com/writing-a-business-plan/what-makes-a-good-plan/www.timberry.com).