

Title:

Business Plan Software: Do You Need It?

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656

Summary:

Find out what you need to know about business plan software.

Keywords:

business software, business plan, business plan software

Article Body:

Business plan software is something that often gets overlooked and isn't considered to be a necessity for some reason. In my opinion, business plan software is essential, it is not a luxury. I am a huge advocate of business planning. When people ask me if they need a business plan, my response is, "Absolutely!" You see, starting a business without a business plan is akin to starting college without a degree plan. If you don't know where you are going, you won't know how to get there. You will waste your time and your money if you are not following a plan. It's really that simple!

So, you know you need a business plan, but what about business plan software? For business planning, there are really three alternatives: 1) crafting your own business plan from scratch; 2) hiring a business plan writer or business planning consultant; or 3) using business plan software to write your own business plan. Each of these alternatives has its own advantages and disadvantages.

Writing your own business plan from scratch is certainly a possibility. Doing so gives you the freedom to format and arrange the plan in any way that you see fit. On the other hand, doing financial projections, which are necessary for the purpose of budgeting and financial planning, can be difficult to do without a business plan program, or at least financial projection software or spreadsheets.

Hiring a business plan writer makes sense for some people. A business plan writer is generally well-versed in business planning and will have insight that will assist you in preparing a comprehensive business plan that takes everything into account. The disadvantages to having your business plan professionally written are the expense associated with the initial plan, and the limitations

that exist in regard to changing it as your business evolves, which is something that business plan software empowers you to do.

Business plan software is relatively inexpensive when compared to hiring a professional business plan writer or consultant. However, when compared to doing your own plan from scratch, it may seem like an unnecessary expense. Business plan software does have many advantages. A good business plan software package, like Business Plan Pro by Palo Alto, has the headings and categories for a business plan already set up for you. It also has guidance throughout the business planning process that explains what to include in each part of your business plan.

What I really love about Business Plan Pro is that it is so easy to do financial projections using the business plan software, whether or not you understand accounting. The main financial sections include a section for start-up costs, one for income projections, one for a proforma balance sheet, and one for a projected cash flow statement. Information that input into one of the financial forms automatically transfers calculations to the other financial statement forms making the process of projecting your financial plan a breeze.

Another huge advantage I see in regard to business plan software is that when you use business plan software to create your own business plan, you can make changes to it anytime you need to. It doesn't become a stale document that sits on the shelf and collects dust. A business plan should be always evolving. You should update your business plan frequently including new goals, objectives and milestones. You should also adjust your financial projections regularly for the purpose of budgeting. Business plan software makes it easy to do.

If you choose not to use business software, and to create your own business plan from scratch, you will need some guidance unless you are a professional business planner yourself. The Small Business Administration at sba.gov has some excellent resources and guides about business planning. If you choose to hire a professional business plan writer, do review their qualifications and references and make certain that you understand exactly what is included in the business planning services they are offering.