

Title:

Contingency Plans - Can You Handle Curve Balls?

Word Count:

310

Summary:

Contingency plans are absolutely critical for first year business success. Your ability to weather the ups and downs of your business will depend heavily on the thought and time you put into your contingency plan.

Keywords:

Contingency Plan, Contingency-Plan

Article Body:

Contingency plans are absolutely critical for first year business success. A contingency plan is what will help you deal with the curve balls that get thrown at you. Despite your best research and planning, you will encounter surprises: good and bad.

When you start your contingency plan you need to list out anything you can think of that will either positively or negatively impact your business. There are a number of things that you should consider for your contingency plan including:

Concentrating on a niche - what contingency plan can you put in place if your niche dries up or turns out to be unable to support your business?

Labor market issues - do you need a contingency plan for a lack of availability of contract workers or employees?

General comfort with ASP software - if clients don't need the services you provide, are you able to branch into different service markets?

Strategic alliances between competitors - if there are mergers or alliances in your industry have you thought of how your business can react and stay alive?

A thorough contingency plan address 15 - 20 reasonable possibilities that could affect your ability to remain profitable. These are things that are outside of your control that you must react to. Your contingency plan only needs to cover a one-year time horizon but it should be revised often.

The Bottom Line On Contingency Plans

You don't want to be caught without a contingency plan. Things happen - some

positive, some negative. Your ability to weather the ups and downs of your business will depend heavily on the thought and time you put into your contingency plan. Your ability to deal with the unexpected is what will keep you on track for success, or derail you completely.

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