

Business Planning

Good teachers know that desired outcomes are the direct result of successful planning. The same is true in the world of business. If you want to increase your chances of success in business it is important to invest the necessary time into business planning.

Once you have identified an industry and market that you believe to be profitable, it is important to take the time to write a thorough business plan that will help you work and think through the intricacies of your business. Business planning may be done on a large or a small scale, so it is important to understand the scope of your venture as you begin planning. As I write this, I know a teacher that wants to start a lawn mowing business in the summer and I also know another teacher that is planning his next venture in the world of commercial real estate. I mention these two individuals because their planning will be very different. The lawn mowing is a smaller scale business and will require a simpler plan. In contrast, the world of commercial real estate is very capital intensive and the profitability of a particular piece of property can be very complex. As such, the business plan will be much more complex. I bring this up not because one is better than the other but because the scope of the planning is much greater for one than the other. It is important that you find the business that is right for you and understand the scope of that business so you are able to plan appropriately.

The Formal Business Plan

Following is one format for a formal business plan. If you look online you will find numerous templates and outlines for a formal business plan. I like this one because it is simple and straightforward. It includes the elements of a successful plan without getting bogged down with every single contingency that could arise. It is easy to become overwhelmed with the process of writing a business plan. Keep in mind that much of what you are planning is speculation, you will not get it all right, but the process is helpful in thinking through the process of what you want your business to be and the process will help refine your thinking and improve the likelihood of success for your business. As the old adage says, failing to plan is planning to fail.

Business Plan

- a. Executive Summary
- b. General Company Description
 - Core Beliefs
 - Mission
 - Vision
- c. Products or Services
- d. Marketing Plan
 - Market & Industry Overview
 - Competition
 - Unique Selling Proposition
 - Distribution
- e. Operational Plan
 - Organization and Management
- f. Financial Plan
 - Personal Financial Statement
 - Expenses and Capitalization
 - Forecasts and Projections
- g. Exit Strategy
 - How will you leave your business
 - Sale
 - Transition to other family members
 - Shut Down