



WHY BUSINESS PLANS DON'T WORK AND WHAT TO DO ABOUT YOURS

I am often asked to assist with writing business plans. While a business plan is often needed when you are getting financing for your business, I find that most business owners don't find them very useful. Why not? Because usually they are written from a very long term frame (typically five years) and once they are written, they are put on a shelf and never looked at again. I'm going to suggest some ways that you can get more out of your business plan. 1) Review your business plan frequently. Business plans aren't meant to be static. They are mostly a long-term strategic tool, but to be effective you need to look at them regularly and update your strategies. How often? I'd suggest quarterly. Look at which of your strategies are working and which aren't. Do more of what works and less of what doesn't. Ask yourself why some are working and some aren't. What can you learn to make your business stronger? 2) Add a lifestyle component to your business plan. I have yet to see a business plan that includes your ideal lifestyle. Does a bank care about your lifestyle? Probably not. But you should. Take time this week to add a lifestyle page to your business plan. At a minimum, include how many hours you want to work, where you want to work, how much vacation you'd like and what schedule you want. Then go through your business plan and make sure your business strategies support your lifestyle strategies. What you may find is that you'll have to add strategies for hiring additional staff, streamlining operations, and creating better business systems. 3) Turn your business plan into an action plan. Your business plan is all about long term strategy. It's the big picture about how you'll run your business. Take that long-term strategy and turn it into a short-term action plan. For each strategy you have in your business plan, write a short-term action plan. Include what the actual activity will be, what resources you need to do it (employees, money, time, equipment, etc) and write out a detailed plan for it including deadlines. This plan should be for the next three to six months. The action plan should include every step you will need to take to accomplish each goal in your plan. The first time you do these exercises may take between two and eight hours. It depends on how much detail you provide. My experience shows that the more detail you include the more effective your plan is. The next time you do this (remember to review and revise this quarterly) it will take a lot less time. Each time you do this will build on the time before and your planning will become more and more effective. Now you've got a business plan that works. If you'd like a sample business plan that works, please email me and I'll send you one that you can use as a model.

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