
The Fundamentals of Writing a Business Plan

Writing a business plan can be an intimidating task for any business owner. Tackling such a large and formal document may seem like an impossible chore. But sticking to a few fundamentals will help produce a clear, concise plan that can be used to show others (investors, bankers, future management) just how promising your business really is.

Using a template will ensure that the basics are included in your plan. Don't be shocked to find that there are hundreds of thousands of templates to choose from on the Web. Most have the same content. A good place to begin your search is with the United States Small Business Administration. The template that is recommended by the SBA can be found on the Counselors to America's Small Businesses Website at <http://www.score.org/>.

Research, research, research.

Two crucial areas of your business plan that require large amounts of research are the marketing and finance sections. Investors and lenders want answers to questions like how large the target market is, and how much it will cost to startup and operate the business. The only way you can accurately answer these questions is if you have done your homework. Be sure the sources you cite for figures and forecasts are accurate and reliable. Check and double check your calculations before including them in your business plan. You will need to be able to support your statements if asked.

Describe your business in easy-to-understand terms.

A business plan serves as a tool to inform potential lenders and investors about the specifics of your business. It will include a description of your company, information about your products and/or services, your marketing plans and how you intend to operate and manage your business. A good quality business plan needs to be written in clear, concise language so those who may not be familiar with your area of business can still understand your objectives. Steer clear of industry jargon.

Take your time.

This is a basic yet important thing to keep in mind when writing a business plan. A lot of research and planning must be done to write a plan that's worth anything, and thorough research cannot be done overnight. Also, remember that writing a business plan forces you to take a closer look at what your goals are and how you plan on accomplishing them. Make sure that you take time to scrutinize each aspect of your plan. This will reduce the chance of missing any inaccuracies that might slow down the startup of your business.

Don't be intimidated by the task of writing your own business plan. It will take a considerable amount of time and research, but it is time well spent. Remember that a business plan is a vital tool that will see you through the startup process and escort you into the reality of business ownership. Having a clear and well thought-out plan will serve you well as you pursue your business goals.