



CAPRICORN

...it's just easier!™

Other resources in step 9c:

- Business plan template
- Business strategy checklist

It's not the plan that's important – it's the planning

The main reason for the high failure rate of small business in this country can usually be found in the business plan – there isn't one.

So many enthusiastic people who open businesses seem to think that because they have some particular skills, that these alone will be enough to make a fortune.

Planning is, without doubt, one of the most important prerequisites to a successful business.

And the planning is a constant process. It should begin at the beginning, when the idea first germinates. Starting the business needs a business plan, so does running the business, expanding the business, and exiting the business.

A good business plan can do so much for a business. For a start it can help secure finance.

It does so much more. Without a plan, it becomes so much harder to give the business the direction it needs to be successful, and to achieve the goals that the founder dreamt about.

It's a known fact that those businesses with a functioning business plan will be more successful than those that don't have a plan. Ask yourself this simple question, "Would you rather invest money in a company with a plan for the future or one that just operates on a day to day basis?"

There are any number of business plan templates available, but before attempting your own, you need to be very clear about your plan's purpose.

For example, a business plan intended to raise finance from a bank, may contain quite different information than if it were written for internal use.

There are three distinct business cycles when business plans come into their own.

At start up: A business plan can help you get your idea off the ground. It can establish the goals and help identify what you can do within your budget. It could be used to attract investors, obtain finance, attract investors or secure a lease.

An existing business: A business plan that is regularly updated helps the owner control the direction of the business. The plan must evaluate the existing operation to the degree where new opportunities as well as potential risks are clearly identified in time enough to take advantage of them or avoid them.

The sale of a business: A good business plan will attract a better class of potential buyer. They are not just buying a business, but an achievable plan.

Business plans are usually broken down into four key parts:

The business, which focuses on internal core operations such as location, equipment, human resources, product, service range and suppliers.

The market, which focuses on issues such as your competitors, customers, SWOT analysis, pricing, marketing and advertising.

The future, which is all about planning, with long and short terms goals plus an action plan of things which must be completed to achieve the goals.

The finances, which focuses on financial forecasting and covers P&L, balance sheets, cash flow, break-even and finance requirements.

TaT Biz has developed a business plan template and a business strategy checklist for Capricorn members to help get you started.

You will find the templates at www.tatbiz.net.au/capricorn.

So here's the challenge. In the next four weeks, give yourself a target to begin writing your very own business plan, you'll never regret it.

The place to start is www.tatbiz.net.au/capricorn

Just go for it!