

## The growing need for a Business Plan

The term business plan refers to an essential, realistic and working document that describes the objectives and strategies of a business. The term business plan is one that all established businesses will have heard of.

Your business plan will describe your target market and all of your financial forecasts. It is used to secure external finance as well as a way of measuring the success within your business.

Many people only really think of their business plan as a way of securing external funding when in reality it can also be used to help you spot pitfalls before they happen and structure the financial side of your business as well as focus development efforts and as a way of measuring the success of your business.

Your business plan is classed as a living document meaning it will need to be up dated as your business changes and grows. Although there is no fixed content as to what has to be included within your business plan it is advised that you include an executive summary, which is an overview of the business that you want to start and is vital as many people who read your business plan will develop opinions about it primarily from this section of your business plan. You also need to include a description of your business opportunity, which will demonstrate who you are, what you plan to sell/offer to your customers as well as why and a description of who you are planning on selling them to.

You also need to include a section dedicated to your marketing/sales strategy, which will demonstrate why you think people will buy what your business has to offer as well as going into detail about what you are planning to sell.

Your management and personnel team also needs to be mentioned within your business plan as does your operations. What is meant by operations is the premises or production facility you are using as well as your IT systems. Your financial forecast then comes into play as it will translate everything that you have already said within your business plan into numbers.

There are two main types of business plans, externally or internally focused. Externally focused plans target goals that are important to external stakeholders, particularly financial stakeholders. They typically have detailed information about the organization or team attempting to reach the goals. Internally focused business plans target intermediate goals required to reach the external goals. They may cover the development of a new product, a new service, a new IT system, a restructuring of finance, the refurbishing of a factory or a restructuring of the organization. An internal business is often developed in conjunction with a balanced scorecard or a list of critical success factors. This allows success of the plan to be measured using non-financial measures.

You should get as much help as possible when writing your business plan, meaning it is important that you show your plan to a number of third parties. However you need to ensure that your business plan reflects your personal vision and that you aren't just putting things within your plan because you think it's what someone else will want to read.

Your business plan acts as a map that will guide your business to succeed. It is important that you are honest when writing it and use it to its full advantage when it comes to setting up your new business.

## About the Author

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