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To hell with a business plan.

Is this how you feel? Does the thought of writing one frustrate you, filling you with restless anxiety? Well, your feelings about the dreaded business plan may have some merit.



Paul B. Brown, the author of several books on business (one of which is *Sweat Equity: What it Really Takes to Build America's Best Small Companies*), says,

"A couple of years ago, I came up with what I thought was a terrific one (book idea). I would go to successful entrepreneurs and ask them for copies of their original business plan. I'd organize the plans by key business insight—marketing, distribution, whatever—and that way potential entrepreneurs could see at a glance the sort of things they needed to do to be successful.

There was only one problem with the book concept. Most of the business plans had nothing to do with what the businesses eventually became. People who said they were going to specialize in developing new computer hardware ended up in software, for example. Companies that started with the goal of serving the end consumer became specialists in helping distributors. In a surprisingly high number of cases, what was in the business plan ended up having very little to do with what the (successful) company ultimately became.

I never did the book."

Brown goes on to say, *"...putting together a full-blown business plan doesn't make any sense*

to me unless you need tens of millions to get underway. In that case, you are going to need to do one. Professional investors, such as venture capitalists, are going to require it."

You know what? I agree with Mr. Brown.

What it really comes down to is, how do you define what a business plan is. The classic "business school" business plan is not required for a small business, especially at the start. That form of the business plan becomes an exercise in futility for a startup business owner because, in most instances, it's not functional and provides little insight into the types of challenges the owner is yet to face.

What an owner of a new or early-stage small business needs is a clear direction on what to do when to do it, and how to do it. A document that is practical and relevant to what must be done to generate money, now.

Create a 90 Day Action Plan

Attempting to predict what will happen in a business 12 months from now, is a challenge for experienced business owners. It's even more challenging for owners of new/early stage businesses.

In my role as Entrepreneur in Residence at Philadelphia Fashion Incubator at Macy's, I advise new/early stage fashion designers. Most of them are new to the business aspect of the industry and the idea of business plans, marketing, financial management, etc. is foreign.

As I do with many new business owners, I provide them an approach to executing what must be done that's easy to implement and manage.

Here is an example of what we do. You should do the same.

Marie (*fictional name*) is the creator of small home decorative who has been selling her

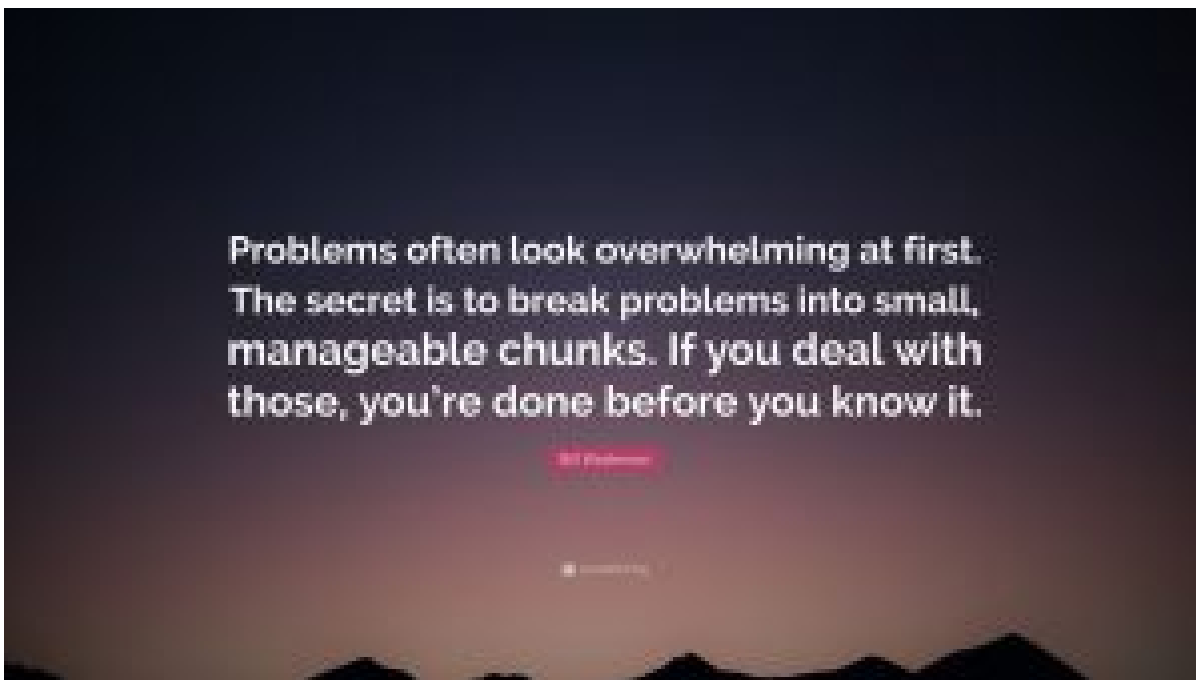
products for the past nine months. Marie feels overwhelmed and disorganized, needs to be more productive and have more clarity about her direction.

Define the Business

The first thing we do is add clarity to what the business is by articulating:

- What problem does the business solve/need it meets?
- What product/service solves the problem.
- Describes how it differs from other products solving the same problem.
- Identify who the customer is.
- Define how you will generate money (revenue model).
- Identify how customers will access the product.
- Define how you will let the market know you exist and why.

The Concept of “Manageable Chunks”



A very successful entrepreneur gave me this advice about setting goals for a new/early

stage business. He said, “Cut your goals down to a size that fits your mouth for chewing. Chew that, swallow, and take another bite.”

In other words, your goals should be manageable. Instead of projecting what you will do for 12 months, start with planning for no more than 90 days. Now, it is appropriate to identify goals you want to accomplish after one, two or three years. However, it’s best to chart your way to the final goal in interim steps.

This kind of action plan will allow Marie to navigate her way to her year-long goals by breaking them into a manageable timeframe of actionable steps. The benefits are:

- More control over how to reach her goals.
- Clearly identifies how she will reach her goals.
- Defines what she must spend her time doing.
- Action items, responsibilities, and schedules let her know who has to do what by when.
- Her plan allows for adjustments as needed without abandoning her plan entirely.
- Eliminates the feeling of being overwhelmed and indecisive.
- Helps her to become better at strategizing and executing what to do to achieve her goals.

Try this approach to planning for your business and your business plan will become a real working tool for your success.

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