



Why You Benefit from Writing a Business Plan

BY NINA L. KAUFMAN, ESQ.

Last month, I had breakfast with two colleagues. We talked about our plans and business growth, just like we have done periodically over the past few years. The disparity in the results that each of my two colleagues has experienced is like “A Tale of Two Business Plans.”

Dana, an event planner, had worked in event planning for a large company before opening her own shop, so she didn’t bother to create a business plan. Jeanette, an acupuncturist, had little business ownership experience; she did put pen to paper.

The result: Several years later, Jeanette is on her way to creating a holistic health center, in addition to a lifestyle that only requires her to be in the office a few days a week. (The rest of the time, she’s enjoying her house in the Berkshires.) Dana is very much where she was several years ago, yet is working harder than ever to keep up.

Why such divergent results? There could have been many factors, including: more available capital to invest in the company; offering services in a greater growth industry; or better skill at networking. But, in talking with both of them, it seemed that *the difference lay in developing a business plan.*

As Jeanette so succinctly put it, “Because I had put together a business plan, I knew what I was working towards, and why I was working so hard. I wasn’t just working aimlessly.”

For many entrepreneurs, a business plan is a daunting prospect — partly because they may have to face the possibility that their beloved business idea may not “fly.” So, they avoid the issue by avoid-

ing a business plan and plow full steam ahead anyway. Yet, there’s another way to approach a business plan.

Rather than conjure up the same feelings of dread as you had with your 11th-grade research papers, you can see a business plan as a tool you can use to build your ideal future. If you’re not specifically seeking funding, you can be a little more relaxed in the format or the information you provide. There are many resources — both online (like the Small Business Administration at www.sba.gov/smallbusinessplanner/plan/writeabusinessplan/index.html) and offline — that can help get you started. Successful business plans usually include:

- Market Analysis (your knowledge about your business industry);
- Company Description (the nature of your business; why it will be a success);
- Organization & Management (details about your company ownership and management);
- Marketing & Sales Management (your plan to attract customers);
- Service or Product Line (the benefits you will provide to customers); and
- Financials (your projections of income and expenses).

A business plan can empower you too, by including a “life plan” section. This is where you look carefully at where you want your life to be in three, five and 10 years’ time so that you can see how your business fits into that plan.

If your life plan includes the freedom to travel the globe at two-month stretches, your business model needs to be able to accommodate that. How will you do it? Hire employees? Create an online business

that doesn’t require your physical presence? Or will you have built and sold your business to a larger company for a sum that will let you live off the interest in comfort while you explore the jungles of Borneo? If you begin with your life goals in mind, you will have a clearer direction and, in many cases, greater motivation to keep striving.

Jeanette attributed the integration of her life goals with her business goals as one of the major factors in her success.

“This [life/business plan] was my cattle prod,” she confided. “Whenever I was inclined to take the easy way out, the plan helped me keep my ‘eyes on the prize.’ Whenever I was tempted to drop it all, the business plan rekindled my faith in my vision. And I usually found that whenever I became “stuck,” just re-reading the plan provided the hints to where I needed to go for help, or whom I needed to enlist, so that I could take the next step.”

So, don’t put off setting your goals in writing. Not only will the exercise help you pinpoint your goals, but you’ll also uncover the steps — and the people you need — to help get you there.

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