

The importance of planning

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If you are going to look for an investment of capital it is quite likely that you will be required to have a business plan. If you are starting a business, despite the work involved, a business plan can prepare you for the obstacles ahead and help ensure your success.

A business plan is something that many small businesses fail to create, however, many business owners are adamant that having a written business plan is one of the keys to their present success. Creating a business plan forces you to contemplate possible obstacles to your business and prepares you to find solutions that will help you to overcome them.

To find investors or get a bank loan, they will want to see that you have the experience or resources to run the business. They will want to see your projected income as well as your suggested repayment plan already laid out. Taking the time to do this is not only important for them, but it gives you a measuring tool to verify if your business is growing properly. You can gage your success on how close to the plan your business has actually performed. Perhaps you'll do worse, or perhaps you'll do better, either way it helps you determine how well your business is getting on.

If you have never seen a business plan before you may be concerned that is too difficult a proposition for you to manage on your own.

While there are services available where you can hire someone to write a business plan for you, depending on your needs it may be wise to familiarize yourself with a business plan's layout. This will not only help you to provide the necessary information, but may encourage you to try your own hand at it.

There's a free tool at www.bdc.ca which will assist you in creating a business plan. Some of the topics you will be required to explain are your Market, Customer, Competition, Marketing Plan, and Research & Development along with financial forecasts. You may consider hiring someone to help you with your financial sheets after completing the written part of the Business Plan.

Your Business Plan will become your guide and silent business partner - indicating where you need to improve and helping you stay one step ahead of your competition. Make it a priority to have this crucial road map for your business.

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