

# Business Plan

## Idea In Short

A business plan is a comprehensive document that outlines a company's goals, strategies, and operational details. It serves as a roadmap for entrepreneurs and established businesses alike, providing a clear vision of the company's future and the steps needed to achieve its objectives.

Developing a good business plan is among the core skills a good consultant should possess. A good business plan draws upon various skills, from strategy analysis and market sizing through financial analysis and valuation. No one is going to be an expert in all of these fields. However, a consultant will do well to enter this process with a working understanding of the fundamental areas. If you are completely new to this topic, start reading about strategy and the fundamentals of finance and accounting. Make sure you have working knowledge of an office programs, such as Microsoft Word, PowerPoint, and Excel.



## Mindmap

There are many excellent books focused on this topic 1, 2, 3. However, there are a couple of rules for writing a plan that actually gets read.

1. **Keep it short:** Business plans should be short and concise. First, you want your collaterals to be read. Nobody would bother to read a 50 or 100 page document. An excessively long document is a hassle and will be shelved, never to be seen again.
2. **Know your audience:** Write your business plan using a simple language. This ensures that your audience will understand your perspective. Keep explanations about your products or services simple and direct, Use terms that everyone understands. If required, use the appendix to provide more specific details.

Usually, you don't have to start with a detailed plan that covers all functional areas. It is much easier to start with a simple, one-page document — what I call a Concept Paper — and then delve into details at a later stage.

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## Summary

A well-crafted business plan not only demonstrates the viability of a business idea but also showcases the entrepreneur's understanding of the market, competition, and financial aspects of running a successful enterprise. Whether used for startup ventures or to steer existing companies towards growth, a business plan is an essential tool for strategic planning and communication with stakeholders.