

Every home business should have a business plan

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Before I sat down and wrote my first business plan, I held a common misconception about them: they are mostly financials and since my business didn't need to borrow money, I didn't need a business plan. After writing one business plan my views changed completely. I realize now that the benefits of a business plan extend beyond the scope of making financial projections.

Once I thought of a business plan as a road map for success, my views started to change. A typical business plan contains several sections in which you describe the company and its services, the marketing strategies, the competition, the organizational structure, and yes, the financial projections. In each section, you do a critical analysis then describe how your business will face those issues.

The process of writing the plan has benefits in and of itself. Thinking, dreaming, wishing, and hoping are great ways to develop the vision for your business. In fact, this can be the most fun part about starting a business – when you still see it as a great opportunity for yourself. But can you really make this business work or is it just a pipe dream? What are the concrete steps you need to take to make it work? These ideas begin to crystallize as you begin putting your thoughts into sentences and recording them on paper and/or digitally.

The business plan records the initial vision for the company. You are the visionary for the business. You are the one who sees the potential and the opportunities for success. Others can help you develop your strategies, but no one else can set those goals for you. This is one reason why it's important for you to take

an active role in the development of your business plan.

Business plans that aren't submitted for funding are still useful to your business development. It becomes one of many reference tools you use to build and sustain your business. (I have a printed copy of mine in a loose-leaf binder and refer to it quite often.) Use it as a reference when you're making your website or preparing marketing materials. Share it with your family to help them understand what you're doing and why. Read it when business is in a slump or you're feeling discouraged to help you get back on track.

Although a business plan won't guarantee success, it can certainly improve your chances. Use it as a tool to solidify your ideas, develop your strategies, and create an action plan that will set your business on the right path.

Dianne Mullen creates web sites for small businesses, specifically home businesses and startups. If you have questions related to this article, or if you would just like to contact her, send an email to dianne@mullenitover.com

