Foundations of Business Planning

One of the most important foundation blocks of a business is a business plan. A business plan is like a roadmap that enables you to explore different scenarios and select the ideal path to help you reach your desired business destination.

What are the benefits of a business plan?
The majority of benefits are derived through the process of creating a business plan. By taking the time to examine your business, its goals and how to achieve them, you’re better equipped to make more considered and effective decisions about what actions to take and how to run your business.

Creating a business plan enables you to clarify your key objectives, your chosen direction and define your key measures of success.

What should you include in a business plan?
A business plan doesn’t need to be overly long or complicated but it does need to consider the 7 Ps of effective business planning:

1. **Purpose**
   Often referred to as a Mission Statement, this should drive every decision you make in your business so it’s vital to be clear on the purpose of your business. When defining the purpose, you need to consider the reason the business exists, the specific outcome your business is trying to achieve and why.

2. **Product**
   Here you need to define the goods or services your business sells. You also need to outline or plan how they will be produced and sold as well as what benefits they deliver to your customer.

3. **People**
   This component looks at who you need to not only operate your business but to also help you achieve your business goals, how much time they will need to invest, what skills they need to possess and the details of how their role will assist you.

4. **Place**
   This involves defining the logistics of your business. How will you distribute your goods or services? Do you need a shopfront, a warehouse or will you be operating online via a website or virtual location?

5. **Price**
   An ideal pricing strategy should achieve a balance between price/volume and costs that will help you maximise your profit.
6. Promotion

When developing the promotional element of your business plan it’s important to identify your target market, outline the communication channel that will best connect you with your target market and ensure your messaging is consistent and includes a call to action.

7. Performance

Here you need to define how you measure success, how you will collect the relevant data for measurement and how you will put these measurements in place so you can review your business performance in a meaningful way.

My business plan is finished, what’s next?

There are 4 main steps when it comes to business planning:

- Preparation and Implementation
  1: Set goals & objectives
  2: Implement tactics

- Review and Adaptation
  3: Monitor progress
  4: Modify tactics when needed

Whilst the first half of the planning process is about preparation and implementation, the remainder is about reviewing and adapting to the business environment around you.

Business is dynamic and ever-evolving therefore your business plan needs to be a living document that can be easily updated and amended in response to the continually changing market place.

Regularly monitoring your business performance and modifying your goals or activities as needed will enable you to keep your business plan current and relevant.

Any information provided is of a general nature. Before making any decisions please ensure you seek appropriate professional advice to ensure it is appropriate to you.