

Sporadic Value of Business Plans: Process versus End Result

Wayne, Kevin T.

Rivier University

kwayne@rivier.edu

Abstract

Business plans have long been touted as valuable documents for new ventures. A nascent firm's mission, strategy, business model, value proposition, management team strengths, competitive positioning, market assumptions, sales forecasts, operating plan, and financing requirements are often presented in the business plan. Components of these plans may also be influential in recruiting talent and securing partnerships. However, numerous entrepreneurial successes have been accomplished without a formal business plan being written. This paper reviews the literature in this domain as well as select case studies. Findings reveal that business plans are often used primarily as fund raising tools. The knowledge gained from composing the document may be discounted and even ignored during periods of inactive fundraising. Furthermore, this paper contends that the plan writing process may be more beneficial to the young enterprise than the final document.