

# The Vital Role of a Business Plan



For some, it may simply seem obvious or logical to put a Business Plan in place prior to launching a new venture. However, in reality, a vast **majority** of both new – and mature – operations actually choose to go without instead: to just see what happens.

Many would assume that this fundamental choice explains why **9 out of 10 businesses fail**. Let us take a quick look at the rationale and psychology resting silently at the source of such decisions, and examine their consequences.

## **Business Idea:** The Seed

Many new businesses sprout from personal passions. An individual's inspired idea about something they love to do or make becomes the impetus for a product or service they imagine they would enjoy contributing to the world.

Let's say, as with Mrs. Field, you make an exceptional chocolate chip cookie. It melts in the mouth, entices with an intoxicating aroma, and undoubtedly tastes delicious.

You originally received the core recipe from your Great Grandmother, and have modified it to further perfection. Indeed: **you** have, and are, the secret ingredient.

People have always complimented you on the endlessly infallible batches of cookies you make to share for holidays and bake sales, and every special occasion. You begin to realize that you could probably sell and market these for a healthy profit margin. So, what do you have to lose – except the time – if you try?

## The Caveat

One can instantly see that this is an over-simplified example to begin with. Thus, it is demonstrated this way simply to illustrate how and why such decisions and actions can evolve quickly, compounding the magnitude and severity of the consequences.

Financial consequences are just the start. They may include opportunity cost, damage to a reputation and future opportunities, and can impact an array of crucial relationships: both professional and personal. The main priority here is to take an accurate and complete glimpse at the prospective outcomes, in order to make more effective decisions...and avoid some very common pitfalls that, without fail, await.

## The Hope

Anyone who approaches a new business with passion and a dream is a visionary. That spirit can be wonderful, and should be revered.

Certainly, it is also wise to temper initial exuberance with planning, funding, and a healthy dose of reality. Otherwise it is easy to become carried away by lofty notions, without fully understanding the scope of work.

Visionaries tend to expect that – in a “fair” and “just” world – success will eventually arrive, if they are just willing to work hard and provide a great product or service. This outlook is far too naïve, especially considering today’s competitive environment.

## The Reality: In Over Your Head

Never forget this ultimate business, and life, catch phrase: ***you don’t know...what you don’t know***. This is never more relevant than for a prospective owner of a new operation: someone with passion, and a skill set or trade knowledge; but possessing no business background. After all, business skills do not necessarily arrive during years of owning a business either. Blinders against the environment, however, will.

Not to mention the fundamentals in theory, there are numerous **Best Practices** and preparatory measures to take when anticipating starting or growing a business. Only through experience can the full **value** of these practices be digested completely.

So, those of us who have been working with businesses throughout the course of decades are available to help...particularly when it comes to avoiding the common pitfalls. Personally, it gives our team great pleasure to enable businesses to thrive ~> progressing from Point A to Point B more swiftly than otherwise anticipated.

On the other hand: the sense of drowning is no fun, even metaphorically. Yet, many who have tried their hand in business...by proceeding without careful planning or guidance...have experienced this desperate sensation, and worse. The profound **impact** on **finances, reputation, confidence, and relationships** cannot be over stated and must not be underestimated. The consequences can be vast and lasting.

## The Truth

There are many ways to approach starting a new enterprise; and, there are many great business ideas that can work, when given a real chance. A real chance entails proper **planning**. Take time to evaluate contingencies, and consider the safety nets that can be put in place in order to insulate properly before attempting the full leap.

## The Process & Solution

The fact of the matter is: the very process of developing a complete, comprehensive, and accurate Business Plan serves the venture, both internally and externally. The final result becomes a tool to secure funding or Investor Partners, as well as acting as a vital benchmark & **roadmap** to guide and track progress toward achievement of the set goals. The process proactively uncovers gaps, allowing for their elimination.

The necessary steps, research, analysis, and overall evaluation of **viability** serve as excellent training tools. Whomever you choose to work with in process should offer a deep experience base that enables them to see where you hope to go and why, and understand how to guide you in your anticipation of the pending gamut of results.

In order to do this, they need to understand how businesses and decision-makers and operations function, how finances work, and which bottom-line financial details are the most vital. They need to know the vast differences between Marketing and Advertising, and realize that – in the realm of both eCommerce and SMM – popular key buzzwords such as SEO, backlinks, and affiliates cannot and will not magically catapult a brand new website from zero traffic into an ATM machine overnight.

Far more is involved. So, it is absolutely in a venture's best interest to invest first in apt preparation for the exciting endeavor. This way, the most can be made from each moment, as well as every financial and human resource, in each step forward.



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