

## Who Needs A Roadmap?

Wouldn't it be fun if you had the time and the money to just jump in the ole' car and start driving. No destination in mind – you don't really know where you are going so you'll never really know if you're going the right direction to get there! But it doesn't really matter where you're at because you seem to be moving – that is until the money runs out! Then your stuck right where you are, like it or not, and the trip is over. Have to go find some more money or stay put.

To me, that's the peril of operating a business without a business plan. To just take off with a pocket full of money, debt or equity, without a clear idea of where you want to go or how to get there, seems pretty hazardous. Some are going to make it, but the chances of making it, and making it in an efficient and economical manner, are increased tremendously by using a map, or plan.

Business plans are not mystical. Business plans are not comparable to a thesis. Business plans are not necessarily bright, glossy, expensive publications. Business plans are working, living documents used to get from point A to point B.

And they are necessary! Plans give you a measure, a chance to check your progress, reevaluate where you are headed, look for alternate routes, and correct wrong turns.

A business plan is simply that! A plan describing where you want to go (usually measured by net profit or size or product/service status) – call it the goal; how you plan to get there (addresses the product or service, management issues, personnel, sales and marketing) – call it the operating section; what it will cost and generate – call it the financial section; and finally, where and how you came up with all of these conclusions (data, backup for your assumptions, studies, etc. (usually the appendix)).

Not too hard it would seem. But there are a lot of folks out there who have neglected that project, quite a few who have done it but never finished it or used it, and a lot of prospective business

operators who would like to skip the planning phase and get on to the profits!

The big question is usually “why a plan”? I know what I want and I know how to get it! Probably true! Hey...think about it...isn't that the definition of a plan – what you want and how you get it? Well, to my way of thinking it sure would be prudent to write it down. When you operate a business you are controlling an individual entity. What happens to it if something happens to you and it was all in your head? How could a purchaser or a successor “keep the vision” if they don't know it? What happens when you need some cash to pay the bills, expand, or just compete? The lender or investor who you want to provide that cash surely wants to see what it is going to be used for, how it is going to be repaid or grow, and develop some comfort regarding its use.

Don't be afraid of a business plan. It's what you make of it. And it is not cast in concrete. If you aren't using it then it is worthless, like the roadmap you forgot to bring when you left town! You'll still hit some rough road conditions and likely a few detours, but it will sure be nice to know when you are back on course and pointed in the right direction!