

Chapter One

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The Development of a Comprehensive Business Plan

"The domain of leaders is the future. The most significant contribution leaders make is not today's financial bottom-line; it is to the long-term development of people and institutions, so that they can adapt, prosper, and grow."

By James Kouzes

A business plan is a coherent and comprehensive 'roadmap' to guide business development ~~or~~ and improvement ~~in~~ decision-making ~~decision making~~. Its comprehensiveness ~~spans and intended value for~~ up to three years ~~and~~ helps to give appropriate ~~more~~ guidance to short-term decision ~~s~~ appropriateness.

Yet, projecting future realities is always challenging ~~,~~ because business conditions change so fast. If the decision ~~plan~~ fits with the updated business plan, it may be possible to implement the improvement ~~decision~~ without much more information. However, ~~but~~ that depends on the nature of the issue.

A word of caution is important. If you plan to use the business plan to inform planned decision appropriateness, the business plan must be kept up to date. Even then, you want to be careful that its ~~third~~ three-year projection is based on future projections.

Many different business plan development templates and instructions are available to articulate what a business plan needs to address. To assist you, I have noted two types of templates (~~1~~ Covello, 2006).

Purpose of a Business Plan

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I have found that the business plan addresses a very important dual purpose beyond informing the decision at hand. ~~It~~ This dual purpose may even be more important, as each improvement decision undergoes its own validation process, ~~anyway~~.

1. Planning reference point. The business plan is an imperfect guide for ~~decision-making~~ decision making for about the next three years. Predicting the future is impossible, but the up-to-date business plan provides a useful range of assumptions against which ~~to~~ evaluate a decision ~~need~~ against.

2. Performance monitoring. The business plan serves as an important reference point for evaluating overall performance and as an alert for making plan adjustments.

3. Attracting quality investors. The business plan is vital for potential investors to evaluate the viability of the business. They need to address the matter level of risk.

"An organization must be clear about what road to take to reach the shared vision. Clear strategies are key, which produce shared goals and ultimate success." Mr. W.

Commented [HT10]: Is this quotation meant to connect to the previous three points or as a transition to the next paragraph? Consider making the quotation 14 pt. as well, and include the person's full name. Also, consider making the quotation italicized and centred.

Addressing risk is no easy undertaking. ~~as~~ Forecasting future events is very difficult, especially when major global events impact different cultures, countries, and business sectors differently. Business plans ~~are~~, therefore, ~~not into making do~~ not make long-term predictions. From 1-3 years is ~~about~~ the optimum ~~time period~~ period of time, even though ~~the~~ serious attention to universal values, cultural contexts, and unique core ~~shared~~ business values go far to provide some predictability because ~~as~~ they do not change easily.

I will describe projected strategies to be used for business growth, future resource needs, and how to attract investors ~~or and~~ capital. Indeed, in many instances, financial institutions will not lend money without a defensible business plan having been produced first. It is especially important for start-up businesses, but this also applies to well-established businesses as an updated statement about ~~how to proceed into the future~~ future plans.

In writing a basic business plan, I have found it useful to ~~have the plan contain~~ include an executive summary, leadership philosophy, industry analysis, market analysis, ~~m~~Marketing plan, operating plan, organization plan, and financial plan. In this chapter, I will provide an overview of what each component needs to address ~~well to result into achieve~~ a credible beginning and an evolving business plan. The intent for each factor component will be noted after I have stated why the business plan is so important.

Lastly, it is essential that you state why ~~you say what you say in your plan~~ your business plan includes what it does. Indicating 'why' enables readers to better evaluate ~~better why you project what you do~~ your projections, especially your commitment to values and their alignment with what you project.