

Just Enough Planning: The Quick Business Plan

by Rolfe Larson & Andy Horsnell

Business Planning

There's nothing magical about business planning. At its core, it involves thinking through and documenting who your target customers are, how your proposed venture will profitably address their needs better than the competition, how you will communicate with these customers, and how resources will be obtained to pay for startup costs.

Writing these things down, and asking outsiders to review them, often leads to finding and fixing flaws in your assumptions and logic. The result is that you're better prepared for launching your venture. A written business plan also enables you to engage others who can make vital contributions to the development of the venture – such as business people on your board and entrepreneurs outside of your organization who can challenge your thinking and improve your plan.

The amount of work needed to complete a business plan depends largely on the complexity and level of risk for your venture; with risk defined as the likelihood and consequences of failure. A low-risk venture may only need a three-page business plan, while a high-risk venture requires something more rigorous. In general, ventures that fit closely with your mission, core competencies and understanding of the marketplace – ventures, incidentally, that are most likely to succeed – require less planning. The Quick Feasibility Test (*see Testing the Waters article, at www.andrehorsnell.com*) completed prior to working on your business plan,

will shed light on your venture's risk and help determine the appropriate level of planning.

The Quick Business Plan

For the majority of ventures that present relatively low risks – say for example developing a product you already have expertise with, and selling it to current customers or those who are similar to them – the *Quick Business Plan* can be an efficient and effective way to move forward. It is a simple tool to capture the answers to the key questions that any business plan should have, presented in an accessible, three-page format.

Among the advantages of doing a *Quick Business Plan* is that it can be completed relatively quickly, and that it tends to get used rather than sit on a shelf somewhere. An alarming number of full-length business plans never get implemented. If the necessary feasibility testing has been done and it is determined that a *Quick Business Plan* is appropriate, it can be completed by the entrepreneur in a few days. This is contrasted with the risky alternatives of “winging it” with no business plan, or getting bogged down with a 50-page behemoth that can suck the life out of your entrepreneurial efforts before a single sale takes place. What the *Quick Business Plan* provides is *just enough* planning to allow you to move forward with confidence into the startup or growth of the venture, which is why we're doing all this work in the first place, right? This next step, implementation, will be the topic of our next article.

Rolfe Larson and Andy Horsnell are consultants with Rolfe Larson Associates (www.RolfeLarson.com) - a firm dedicated to helping enterprising nonprofits generate more earned income - whether from increasing profits from current activities, launching a new venture, or something in between.

Want to do a Quick Business Plan? Download our free tool from www.RolfeLarson.com