

Q. I've been in business for several years, why do I need a business plan now?

A. Whether you have been in business a number of years, or are just starting out, a business plan is an important management tool to keep you on track and help measure your progress. You've heard "If you fail to plan, you plan to fail."

The primary reason for creating a business plan is for you, the business owner. The real value of doing a business plan is not necessarily having the finished product in hand, but in the process of research and thinking about your business in a systematic way. The act of planning helps you to think things through, to research when you are not sure of the facts, and to look at your ideas critically.

A business plan is a statement of intent. Your business plan should thoroughly describe the business, its objectives, the methods and strategies for achieving the objectives, the market, and the financial projections.

While there is not one "right" way create a business plan, there are several key areas that should be addressed. Your plan should include:

- An Executive Summary
- A Description of the Business
- Marketing and Sales Strategy
- Management and Personnel
- Operations
- Financial Projections

The second reason to have a business plan is in order to borrow money. Lenders will want to see your business plan, both a history and your plans for the future, including sales forecasts, projected expenses, etc. And your business plan explains what the figures mean and how you arrived at them. Your business plan should provide the "proof" or "evidence" for your financial projections.

For assistance with developing or revising a business plan there are several local resources you may contact. The Service Corps of Retired Executives (SCORE), the Business Innovation Center, the Women's Business Center and the USA Small Business Development Center all provide free and confidential one-on-one counseling services and specialize in business planning.

Call the Mobile Chamber's Small Business Department, 251-431-8607, for more information about starting or growing a business, and see the website www.mobilechamber.com/smallbusiness.