

A Simple Approach to Business Planning

Having a plan for your business helps you analyse your potential for success and identify the steps you will need to take along the way. A business plan does not need to be complicated. You just need to make sure your plan convinces you and others that your business ideas are good, and that you haven't missed thinking through any threats or opportunities, and that you know exactly what must be done to achieve business success. The simplest approach to do this is to address the "5 W's and the 2H's"

What? Who? Why? Where? When? How? How Much?

What?

- What is your product or service? Be descriptive on product/service and surrounding area if necessary.
- What are its unique features and benefits?
- Are there any value-added opportunities related to your principal idea?

Who is going to do it? / Who is going to buy it?

- Who else is involved in your business? Just you or are others involved (active and/or silent partners)?
- What are the relevant backgrounds of those involved?
- What knowledge, skills and connections do you have that enable you to do what you are proposing to do?
- Industry considerations. What is happening in the industry your business is going into? Is the industry growing, stable, declining? Gather statistical information. What factors should be considered when looking at your industry's market?
- Market identification: Try to get into the mindset of your customer and visualize who would buy your product and service. What are they looking for? Who are you going to sell to? How much will they pay? How much will they buy? Where is your market area? What are your market demographics (age, population, earnings)

Why?

- Why are you proposing to do the "what"?
- Considering both trends and conditions, why is your idea a good one?
- Who out there wants what you have to offer, and how do you know they do?
- If there are others, how will you position yourself with the competition?
- SWOT analysis (Strengths, Weaknesses, Opportunities, Threats)

Where?

- Where will the business operate?
- What is the significance of this location?
- Parking? Remoteness of location – benefits? Sell those benefits to attract your market and minimize the disadvantage (if any) to your market
- Do you need to do anything to the “where” to make it work better for your needs?

When?

- When will you open, expand or meet your goals?
- When do the various tasks that need to be addressed need to be completed to enable you to move forward?
- When does each task need to be completed? What are your priorities?
- What tasks can be worked on at the same time?
- What tasks are ongoing?
- Identify a timeline and develop a work chart – What needs to be purchased? And how much does it cost? What needs to be done and when?

How?

- How will you accomplish your “what”
- How will you position yourself to reach your audience/customers? – Market strategy
- How will you move forward? What do you need to do this?
- How will you finance start up and ongoing operating costs?
- How will you actually do all the things outlined in “when”

How Much?

- How much financing or creative resourcefulness do you need to begin and operate until revenues exceed expenses?
- Identify all of your sources of potential revenues and expenses and develop educated guesses (estimates for projections. Estimates should be based on research (someone else’s experience in an identical or similar business and/or your stated intentions as identified in “how”
- Need a budget/financial statements