



## Keeping Your Business Healthy - *Have a Robust and Clear Business Plan*

Running a business is like a journey. If you don't have a map and some decent directions it's all too easy to get lost along the way. Furthermore, if you're looking for investment, or for a financial institution to lend the business money, then you will need something to convince them that your ideas are based on more than just sticking a finger in the air.

### What, why and who?

It sounds simple but it's easy to forget the reason for starting a business in the first place. In this respect it is important not just to wax lyrical about the products or services on offer but why they will sell and just who will be buying them.



Thorough market research, coupled with keeping an eye on what the competition is doing, will let you know the state of the playing field and hopefully differentiate you from the rest.

### Send a clear message

Identifying potential customers is one thing; actually getting their business is another. A sound marketing plan, along with a good level of customer service, is not just a key element in getting a business off the ground but it should also keep momentum going and promote customer loyalty.

### Who's on board?

The size and complexity of a business will obviously dictate the number and diversity of the people needed to run it. Either way it's important to show who does what and why they are qualified to do it. Profiles of the business owners and the management team, highlighting past experience and particular strengths, will show investors or lenders that you have surrounded yourself with people who can get the job done.





## Crunch the numbers

Probably the most important section of a business plan, and certainly likely to be the most thumbed by the financial services world, these numbers need to be both believable and achievable. It's amazing how many business owners don't actually know what level of turnover they need to hit just to break even. And if you don't know that then the unique product, the dynamic management team and the all singing, all dancing marketing campaign will mean practically zero.

This part of the business plan is important on two counts. It is clearly important when looking for funding but is just as significant as the basis of a management tool. As a business owner you will already have confidence in your product or service and the people you have enlisted to help. However, unless you set the bar with accurate forecasts and projections you will never be able to justify that confidence when a few months down the line you have no idea if you're making money.

## Revisit, revise, rework

Just like a business, a business plan is a moveable feast and should evolve over time.

All parts of a business plan can be used to monitor progress when you compare actuals to projections. If the marketing campaign is not attracting as many customers as you had hoped for it clearly needs attention. If the customers that did come on board only stayed a short time then perhaps your customer service is in need of a shake-up.

In these tough economic times, the ability to be able to measure financial performance, or perhaps more appropriately under performance, has never been more important. When cash gets tight you need to check your margins, the speed with which you turn invoices into cash and the general efficiency of all aspects of the business.



Only when you have identified the problem areas can you start to rework your business plan and set a course for recovery and hopefully, future success. Of course, if you have nothing to measure performance with in the first place you risk being lost forever.

For reliable, positive and impartial advice about your business challenges, contact Mike Grieshaber.