

WHY A BUSINESS PLAN?

The most important reason for preparing a business plan is to insure the success of the business.

- ❖ Provides you with the **road map** that you need in order to run your business. It allows you to make detours, change directions, and alter the pace that you set in starting or running the business.
- ❖ To **assist in financing**. Whether one is starting up a small business or is an entrepreneur, banks and financial institutions want to see that you know where you are, where you are going, and how you are going to get there.
- ❖ The plan will tell you **how much money you need**, when you will need it, and how you are going to get it. In other words, how you will do your financing?
- ❖ Helps you to clearly **think through what type of business** you are starting, and allows you to consider every aspect of that business.
- ❖ Raises the questions that you need to have answered **in order to succeed** in your business.
- ❖ Establishes **a system of checks and balances** for your business so that you avoid mistakes.
- ❖ Sets up **benchmarks** to keep your business under control.
- ❖ Helps you **develop a competitive spirit** to make you keenly prepared and ready to operate.
- ❖ Makes you **think through the entire business process** so that you do not open the business blindly or lack vital information in opening and maintaining your business.
- ❖ Forces you to **analyze competition**.
- ❖ Will give you a **"go" or "no go"** answer about starting the business.