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## How To Create A Business Plan

*This series of checklists will keep your company focused on short- and long-term goals, while helping you avoid pitfalls.*

**By Ron Sorci**

PREPARING A BUSINESS PLAN HAS TWO primary purposes:

First, it should be used to help run your company with a more cohesive vision. It is your roadmap. By analyzing all your marketing, sales, service thresholds, website design, etc., you improve your chances for success.

The second purpose is to address a myriad of financial topics, including those where you position the company to be attractive to banks and outside lenders. This will include exit strategy issues.

According to *Entrepreneur Magazine*, typical business plans average 15 to 20 pages. Others can be more comprehensive.

### Five key goals should evolve from the plan:

1. Clarify direction
2. Future vision
3. Attract financing
4. Attract team members
5. Manage company

### Studies show what corporate owners consider the top five reasons they believe a business plan would be useful to them:

1. To map the future
2. To support growth and secure funding
3. To develop and communicate a course

of action

4. To help manage cash flow
5. To support a strategic exit

Many off-the-shelf types of business plan templates are available. But I would discourage everyone from using them unless necessary. Those templates are not as comprehensive as they should be. You could create a plan more tailored to your company that covers all elements.

I've written many business plans over the years and believe plans can be written generically, with more of a sales or operational tone, to attract investors, serve as a roadmap to grow your company, provide exit strategies, or a combination of all of these items.

### In the business plan write-ups I refer to, the following sections are used and details about each section are addressed:

- History of company
- Mission statement
- Business services offered to clients
- Management and support team
- Sales team, website, and marketing strategy
- Organizational chart
- What makes company unique
- Fleet

- SWOT analysis (strengths, weaknesses, opportunities and threats)
- Financial history
- Budgets
- Future plans
- Exit strategy

### Ancillary sections that may apply include:

- Acquisition targets
- Market concentration
- Succession planning

Once the business plan is complete, the most important step is to execute it. **Typically, a list of "next steps" is developed with three columns:**

1. Category
2. Personal responsibility to execute
3. Realistic timetable to complete task

Monitor all of these items weekly. At minimum, email weekly reports with clear and concise updates to all responsible parties.

Although you may have heard about preparing a five-year plan, that is only good in theory. But in today's changing business climate, preparing a one-year plan will prove most effective.

Correct execution requires discipline and serves as a logical set of connected activities for an organization to make a strategy work.

### The four most important components of executing a business plan include:

1. Set clear priorities
2. Collect and analyze data
3. Keep a rhythm to meetings
4. Evaluate the strategy

Managing this process will enable the team to meet deadlines and accomplish the business plan.

The final piece of the puzzle after fully executing the plan is to meet with your management team to determine if you should modify the plan.

The combination of preparing a sound business plan, assigning individuals to the tasks necessary to execute, establishing timelines, and reviewing your final results will propel your company into a positive competitive position. **LCT**

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