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Inc.com

The Fine Art of Writing a Business Plan

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Bankers and investors are quick to complain that most business plans they get from hopeful entrepreneurs aren't worth the paper they're written on. Too many plans, they say, are filled with grammatical or spelling errors, bad math, or-worst of all-poor research.

Business plans also get a bad rap from some company founders, who see them as an academic exercise with no relationship to the real world. Just 47% of the chief executives from the 1997 *Inc.* 500, for instance, said they used a formal blueprint to launch their businesses.

But a well-crafted business plan can become a ticket to glory. Just look at the campus champions profiled in "[Texas Super Bowl](#)," Marc Ballon's story about intercollegiate business-plan tournaments from the March 1998, issue of *Inc.*

Successful business plans take a lot of hard work to develop, write, and rewrite. Some entrepreneurs even recommend writing one business plan for internal use, as a kind of personal organizational guide, and another for external use, as a financing tool.

So, where do you start?

Inc. Online has prepared a list of Recommended Readings from the classic archives of *Inc.*, organized as a step-by-step guide to writing a business plan.

1. The first business plan you write should be for nobody but yourself, argues *Inc.* columnist Norm Brodsky in "[Due Diligence](#)." You just need to answer four questions as honestly as you can: What is the concept? How are you going to market it? How much do you think it will cost to produce and deliver what you're selling? And what do you expect will happen when you actually go out and start making sales? Brodsky's piece is a must-read for first-time entrepreneurs. (February 1998)
2. Wondering what information needs to be included in a business plan? In "[Venture Capital Express](#)," investment bankers tell writer Ellyn E. Spragins what makes their hearts sing and their collective wallet unfold: an executive summary, analysis of the competition, information about the management team, and honest financials. (November 1990)
3. You can't create a business plan unless you understand cash flow, and people starting their first business seldom do. In "[How to Succeed in Business in 4 Easy Steps](#)," *Inc.* Editor-At-Large Bo Burlingham provides a detailed look at how Norm Brodsky taught one couple the importance of cash flow and other critical numbers in building their plan. (July 1995)
4. Business owner Charles J. Bodenstab shares his own experience writing a business plan in "[Directional Signals](#)." Bodenstab talks about what the process of writing a plan does for a small to midsize business and why its value may be greater for a smaller company than for a large corporation. (March 1989)
5. A plan is what you make it. Some companies actually do use their founding plans as guides to operation.

- Others see them as documents designed mainly to get investment money and then to be forgotten. In "[The Best-Laid Plans](#)," Erik Larson examines business plans and their success (and failure) in accurately forecasting growth. (February 1987)
6. So how do you start-where do you look for a prototype plan? *Inc.* Finance Editor Jill Andresky Fraser gives a brief review of two books for writing business plans (*The Perfect Business Plan Made Simple* and *The Business Planning Guide*) in "[Help with Business Plans](#)." (June 1994.) And *Inc.* Senior Editor Martha Mangelsdorf reviews a ton of start-up books, including *The Successful Business Plan: Secrets and Strategies*, in "[In Search of the Small-Business Bible](#)." (April 1994)
 7. And what about business plan software? Some people swear by it, but others swear *at* it. In "[Garbage In, Garbage Out](#)," Brian McWilliams talks to bankers and entrepreneurs who argue that business-plan software can never deliver what it promises. (August 1996)
 8. You can also get help with your business plan by posting your questions and concerns at the [Writing a Business Plan](#) discussion board.

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