

THE BUSINESS PLAN

SBDC STARTUP SERIES

“Why should I write a business plan?”

A well-thought-out business plan should be one of the primary goals of any business, whether existing or startup. The formal business plan process can seem intimidating, but it is actually straightforward. Here are five good reasons why you should write a business plan:

Test the feasibility of your business idea.

Writing a business plan is the best way to test whether an idea for starting a business is feasible, other than going out and doing it. In this sense, the business plan is your safety net; it can save you a great deal of time and money if working through the plan reveals that your business idea is unsustainable.

Give your business the best possible chance of success.

Writing a business plan will help you pay attention to both the broad operational and financial objectives of your business and the details, such as budgeting and market planning. Taking the time to work through the process of writing a business plan will make for a smoother startup period and fewer unforeseen problems as your business becomes established.

Secure funding.

If you're going to need both operating and startup capital for a new business, your chances of getting money from established financial institutions are slim without a well-developed business plan. An established business may also need money to buy new equipment or property or because of market downturns.

Make business planning manageable and effective.

A business plan is essential if you're thinking about starting a business, but it's also an important tool for established businesses. Viable businesses are dynamic; they change and grow. Reviewing your business plan can help you see what goals have been accomplished, what changes need to be made or what new directions your company's growth should take.

Attract investors.

Whether you want to attract venture capitalists or angel investors, you need a solid business plan. A presentation may pique their interest, but they'll need a document they can take away and study before they're prepared to make any investment commitment. Be prepared for your plan to be scrutinized.

ABOUT THE MONTANA SBDC

SBDC STARTUP SERIES

The Montana Small Business Development Center Network is a partnership among the Montana Department of Commerce, the U.S. Small Business Administration, regional economic development organizations and institutions of higher education.

This network consists of 10 centers throughout the state that offer free, confidential, one-on-one business counseling and low-cost training programs to small businesses and entrepreneurs.

The SBDCs are dedicated to helping small businesses throughout Montana grow, innovate and succeed. Our network combines the resources of federal, state and local organizations with the education system and private sector to meet the specialized and complex needs of the small business community.

Visit sbdc.mt.gov and contact the SBDC nearest you to learn more about counseling services and training programs available in your area.

**LEARN
MORE**



Images courtesy of the Montana Department of Commerce.

This document is printed at State expense. Information on the cost of producing this publication may be obtained by contacting the Montana Department of Administration.