

How To Write a Business Plan

Starting your own business can be quite overwhelming at the beginning. You've got this incredible idea that's going to change the world, but where do you even start? There is so much to think about and so many things you need to get right.

We've seen with our clients that the best place to start is often just by getting your thoughts down on paper. And that's what a business plan is for. By forcing yourself to codify your thoughts and ideas in a relatively formal structure, you're able to build a game plan to help validate your idea, plot its first steps, set in motion some goals and objectives to aim towards. Not to mention, your business plan becomes a crucial document when dealing with potential investors, co-founders, early employees, and the like.

Here are some of the main steps in writing a great business plan:

1. Identify the problem you're going to solve.

Every business should be focused on solving a real customer need in the marketplace. You have to be able to clearly articulate the pain point you're going to be solving for people before you can start building anything. So many businesses fail from the start because they were solving for a need that wasn't there or that people weren't willing to pay for. By committing this to paper in a clear and concise way, you can ensure that there is value to be added here.

2. Describe your target audience.

You can't sell to everyone. You need to identify the specific niche of people that would find value in your offering because that's going to inform how you brand and market yourself. Spend some time getting really specific about the people you're going to serve. Including this as part of your business plan helps to build a buying persona which nails down some of the differentiating factors that set your target audience apart from the rest. Everything that is to come must be oriented around these people.

3. Share your solution.

Now, you can finally get to your solution. You've articulated the problem you're solving, who you're solving it for, and now you can describe that killer idea that started this whole process. Try to place yourself in the shoes of someone who has that particular pain point and describe how your business is going to alleviate it for them. What is the game changing innovation? What is going to move the needle for them? Be as precise and specific as possible here because that will illustrate that you've got something of value. The more long-winded this section is, the more likely it is that you should be heading back to the drawing board.

4. Choose a business model.

Every business needs to make money somehow and so you'll need to be able to draft a workable business model to include as part of the plan. Your business model describes the rationale for how you are going to create value in your organization. Spend some time here to think through potential revenue streams and identify those that are most promising to pursue in the beginning.

5. Articulate a pricing strategy.

Getting your pricing right is fiendishly difficult at the very beginning, so take your time to do some research and codify some basic pricing methodologies and ballpark figures in your business plan so that you have something to work from. You're always going to test these and iterate over time as you get feedback, but it's important to have something reasonable on paper to begin with to feed your financial forecasts and models from the start.

6. Assess your competitors.

You're not operating in isolation of course, and there are going to be other competitors that are trying to thrive in the same niche that you're in. Therefore, it's worth researching these competitors in detail and evaluating their offerings, their business model, pricing, and so on to determine how you're going to stand out from the rest. Be sure to clearly articulate the competitive advantage that you have that will help you succeed as a business.

7. Map out your operations.

Your operations are all the internal nuts and bolts within your business that are required to deliver your offering effectively. Use this section to map out exactly what you have already, what you need to procure, how your processes are going to work, any potential threats and opportunities, and so on. Try to think through every component of your business and identify any weak spots that could cause bottlenecks or a weakened customer experience. You'll also want to use this section to describe the human resources that you'll require to make all of this work.

8. Do some basic financial projections.

In order to validate that your idea can actually turn into a profitable business, it's important that you model out the financial aspects of it and make sure that it's a viable opportunity. Research the addressable market and make assumptions where needed – to try and forecast the first few years of operating your new business. Be conservative here wherever

possible so that you don't delude yourself. This is supposed to make sure that you don't waste your time with a business that doesn't have a sustainable future.

9. Identify risks and mitigations.

The final step in the planning process is to imagine what could go wrong. Take some time to list out all the potential risks that could hamper your success and then describe some of the practical things that could help mitigate their impact. By doing this proactively, you give yourself a chance to avoid those risks and find a way around them. It also shows that you don't have delusional optimism and that you understand that starting a business is not easy. It demonstrates that you have a good sense of what the journey ahead of you might look like.

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The format of your business plan doesn't matter as much as ensuring that the above principles are included. There are a million different templates online that you can choose from, but the real crux of it is taking the time to think through each of these pieces and come up with thoughtful, considered responses.

If this feels like a bit much and you'd like to work with a professional who has done this before, we've got a range of really talented on-demand consultants here at [Live Wingman](#) that can help. We've seen plenty of different business plans at this point and so are well positioned to be a sounding board for you – to make sure that you're covering all the bases.

If this is of interest, be sure to [get in touch today](#) and let's see how we can help!