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Business plan canvas

Payal Kadakia swung several times before coming up with the idea for ClassPass, a subscription service designed to fill empty slots at fitness classes. Today it has partnerships with 8,000 studios around the world. Balance Small Business uses cookies to give you a great user experience. By using The Balance Small Business you accept our use of cookies. Business planning is the magic bean for successful businesses. Use the basics of business planning to put a plan in place, give the continued attention it needs, and your business will grow stronger and better. Whether it grows bigger and stronger depends on the plan you have chosen, but the point is, without business planning, you have a reasonable chance of ending up with nothing but some spat up dirt to show for your efforts. This article shows you how to use the basics of business planning to create an action plan that will give your small business direction for the coming year – or longer. Once you've completed it, you'll have a vision statement, a mission statement, and specific business goals that allow you to translate your business planning into action. So let's start with the basics of business planning. The assumption of business planning is that you want your small business to be successful. So the first question is: What do you want? To answer this, you must have decided how to measure your success. For example, do you want your small business to make x revenue? Become a market leader in its marketing segment? Bring in enough money for your family to live on it? Include a process or product that you have created on the market? Do you personally make a well-known name? Become a well-known franchise? These are just a few examples of what a successful small business can mean to you. Notice how money may or may not feature prominently in your interpretation of success. Now that you have decided what you want your small business to accomplish, we will formalize your desires into a vision statement as part of the business planning framework. First, but since a vision statement is about choosing a future destination, you need to articulate where you are now, giving your business planning a start as well as an end point. You do this by writing a mission statement, which describes what your company is doing and how you do it. Then shape your vision statement by applying the formula as directed. (Note that using a five-year timeline is not a requirement, you can certainly change this to any number of years that you want.) Now you have a mission statement that tells you where you are and a vision statement that tells you where you want to get to, so you're ready to flesh out business planning frameworks by creating business goals that will get you there. The right business goals follow three goal set rules. 1) Business objectives must be relevant. Entrepreneurs sometimes make the mistake of choosing business goals that are meaningless. For example, I know that once set a business goal to hand out a hundred business cards a month. Well he did, but so what? If his intention was to bring in more business, we all know that the way to do it is to establish relationships with people, and you didn't accomplish that by just giving someone a card. The whole exercise was just a waste of time. To be relevant, a business goal must be profitable in some way. That's not to say that every business goal must be measurable in dollars and cents, but it must have a clear advantage or benefit to your business. 2) Business objectives must be feasible. An even more common mistake when set business goals is to choose business goals that are too vague or abstract. Business goals like Andy's Antiques will improve our customer service sounds nice – but if Andy's Antiques is your business, how are you going to do it? When setting business goals, make sure that you have developed them from general statements, such as in the example above, to specific actions that can be performed and evaluated. (See Setting Goals is the first step to Achievement to learn how.) Goals without action plans are just fine words. 3) Business objectives must be attainable distances. The purpose of the business goals is to take our businesses forward and to motivate us. So we have to set the bar very carefully when setting business goals. If the bar is set too high, we set ourselves up for failure and disappointment and many of us, admitting this in advance, will just stop trying. On the other hand, if the bar is too low, and all we have to do is step over it, maybe we don't care about doing it because we won't get enough satisfaction or recognition from the performance. A goal must stretch us to be worth doing. Realize that a business goal must feel worthwhile and set goals that will achieve the dual purpose. Follow these three rules as you set business goals and you'll find that you're automatically achieving more because you no longer waste time setting goals that counter the purpose of the practice. It's time to set your mission statement, vision statement and business goals to use by creating an action plan for your small business. Work through this quick start business development plan for small businesses. (Although it is set as two sessions, you should be able to complete the entire business plan in one session, because you already have a vision statement, mission statement, and business goals to work with.) When you're done, pay special attention to the final section on revisiting your action plan and evaluating your progress. You know what will happen to your magic bean plant if it doesn't get any care! Care!