

Is Business Planning Worth It? – Business Times March 2007

In this, the first of a two part feature (concluding in April), Charles Brooks of Northampton based, Comprehensive Business Management Ltd, asks if business planning is worth the effort...

Anyone who has ever been involved in the formation of a new venture and spent time looking for funding will be able to tell you that you have no chance without a formally written business plan. Even the TV programme 'Dragons Den' alludes to this and these days, you can't open a bank account without some form of plan.

It's also the case for long-established businesses, as from time-to-time they look to raise funds in the form of loans or investments, the first question is always 'where is your business plan?' Is this a matter of bureaucracy or are there other reasons? And is there any other benefit to business planning apart from raising funds?

Having put the time and effort into developing and polishing a business plan, the evidence is that as soon as the cash is in the bank, the document is put in the filing cabinet, and left there. From my own research, I found that entrepreneurs and innovative managers saw the whole concept of a written business plan as a constraining straight jacket, instead keeping the plan in their head so it could be changed and developed as they move forward.

This is fine at first, but after a while how do you articulate your plans to others and how well can you keep it in your head as you grow? (More of this next month.)

However, there are undoubtedly many non-bureaucratic reasons why funders insist on business plans, but high on the list is the fact that, statistically, ventures with a business plan succeed more often than ventures without - even a plan in the bottom of the drawer sticks in the memory for a while...

For more information on help available for your planning needs call Charles Brooks

Comprehensive Business Management 01604 420 420 or log onto www.cbmgroupp.co.uk.