

Why Business Plans Fail

A business plan is a road map of where the business is going and how it is going to get there. It is a formal statement of business goals, reasons why they are attainable, and the plan of action to achieve them. The general wisdom is that you need to have a good business plan and to follow it diligently in order to be successful.

There are many articles available on how to write the best business plan for your business. The real challenge is implementation. When the business is unable to achieve its business plan goals, the common explanations are that there was something wrong with the plan, it wasn't executed properly, or market conditions had changed to make the goals impossible to achieve.

Many believe that the business plan must be implemented in a certain sequence and within a certain time frame like clockwork. The first item must be completed before the second, and the second before the third, and so on and so forth. Rigidity in implementing the plan may affect the business plan's success. Sometimes it may be necessary to deviate from the plan to take advantage of new opportunities or to avoid sudden pitfalls. It may make good business sense to enter a new market now instead of waiting until the following year because a competitor has suddenly left the market and created a void, or it may be financially prudent to expand the business by leasing instead of buying a building because softness in the real estate market has afforded you great leasing terms and has allowed you to invest your money elsewhere.

Changing circumstances dictate when and how you execute your business plan. There may be times when certain parts of the plan will have to be completed out of order so that other parts of the business plan can manifest. Something you originally thought had to be completed first may actually require that other things be completed first before it can happen. When executing your business plan, be flexible and allow for adjustments to be made when market conditions change. The business plan is your road

map of where you want your business to go, but it is still your responsibility to make sure that you get there.

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