

Don't make these 6 business plan mistakes flashcard



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Your business plan is a roadmap. Use it to steer your business away from the inevitable potholes and dead-ends. 1.; You are only thinking of the present. Get as detailed as you can with your forecasting.

For instance, by looking ahead, you might find that your margins will shrink to a level with which you; re not comfortable. Better to know now that you; ll need to plan for a new higher margin product or find more profitable clientele. Ask yourself what your challenges will be next month, next year and five years from now and build a company that can survive those upsets. Read more: 2.

; You aren't writing for a specific audience in mind. You might need to have more than one business plan. It might be written for certain situations, such as a short miniplan designed to be downloaded and read on a smartphone or a 20-slide Power Point designed for formal presentations. When you adjust your format, consider your audience — venture capitalists, angel investors, partners, lenders – and make sure that this version answers that group's questions.

Read more: Read more: 3. You don't address the competition. Know what your competitors are doing right, what they are doing wrong, who their customer base is and what sets your business apart. Your plan should clearly outline what you do better so you can capitalize on your advantages, whether that's your previous expertise, proprietary technology or a unique insight into what customers are after.

If you don't do this, your plan won't help capture the attention of the people you most want on your team. Read more: 4. You don't show them the <https://assignbuster.com/dont-make-these-6-business-plan-mistakes-flashcard/>

money. Specificity is key, and you won't be taken seriously if you don't explain how much you are charging and why, how much the logistics (i. e. shipping) will cost, and offer projections for when you will be profitable.

Read more: 5. The devil is in the details. Back up what you say. If you think you'll be an industry leader in six months, explain why that might be the case.

Be conservative, realistic and careful. To that end, make sure you proofread your plan and that it's easy to understand. The document represents you and how you'll run your business. Make sure it represents you well.

6. Believing too much in your plan. Planning a business isn't running a business. Industries change and companies have to pivot. Don't let administration of the business plan stand in the way of executing and acting on opportunity. Read more: