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December 16, 2007

Business Plans Aren't Just for Start-Ups

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Once you open your business, don't think that you have finished with your business plan. Your business plan should be a dynamic working document, helping you stay afloat and remain focused on progress during your journey.

Business planning is a continuous cycle. Examining your position against the chart and making course corrections is part of the process. Sometimes you will find that you've strayed off course or are out of the bounds of your budget. In these instances you will need to take actions to bring things under control and to get back to your plan. At other times you may be forced to change it because your original concept just doesn't square with reality, or because unforeseen market changes or product innovations make your assumptions invalid. In any case, an annual review and update of the plan will enhance your success.

As part of this review you will want to reconsider some of your major assumptions. Have any external influences changed? Consideration should be given to such things as competitors, current and potential customers, suppliers, technology, trends, demographic changes, government policies and regulations, and, of course, the economy.

Against this backdrop, think about your strengths and weaknesses. Are there new opportunities? What factors might threaten your business? Ask yourself what your competitors could do to drive your enterprise out of business.

Given this review, think about any changes you should make regarding your assumptions of market share, revenue growth, inflation, and expenses. If necessary, rework the calculations on your financial projections.

Take a close look at your performance objectives. Are they still relevant? Are there others that would be more appropriate? Are you achieving your objectives? Have you met key deadlines? Are your financial controls working? Identify any barriers that may inhibit or prevent you from reaching your goals.

Once you have completed this step, ask yourself a series of questions that start with "How do we ...?" Broad answers to these questions should provide you with strategies that you may consider for implementation. For example, "How do we increase sales to 500 units within six months?"

This will result in a list of possible answers that may include things like initiate a telemarketing program, increase advertising visibility, and so on. You may end up with dozens of answers.

Select two or three answers that best utilize your strengths, and begin to look at steps or actions you need to take to put your strategies to work. Check your business plan to see if this will result in any changes to your operating, manufacturing, personnel, facilities, or marketing plans.

By understanding such a process, you should be able to monitor not only the performance of your business, but also those accountable – including yourself – for its success. Keep in mind that you will never be able to eliminate every problem in your business, but there will always be room for improvement and change.

By following your plan, you should be able to respond quickly to external factors – such as changes in the business environment – and internal factors that may include poor performance or a decrease in quality. You will be able to make improvements and cope with change. Most importantly, you will continue to reduce your risks and to find new opportunities.

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