



# Top Business Plan Tips – 25 Dos and Don'ts

By [Abigail Orenca](#) on September 8, 2017 | [How to Start a Business](#), [Starting a Business](#), [Tip List](#) |

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Looking to start a new business? If you want to succeed you need to have a solid plan. While writing a business plan can be a daunting task, you don't need a fancy business degree in order to craft a good one. But you do need to have vision, passion, organization, and be willing to put in a lot of hard work.

Whether you want to write a business plan for yourself, the bank, or to show potential investors, you've come to the right place! Here you'll learn how to create a strong business plan as well as learn from common mistakes that can hurt your chances of success.

Below are 25 tips to writing a business plan from the pros:

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## What You Should Do:



## 1. Tailor your business plan to your audience.

**Liat Tzoubari, Founder & CEO, [Sevensmith](#)**

You should be writing your business plan with a clear idea of who you are targeting (bank or potential investors) so that you can tailor your business plan accordingly, similar to how you would tailor a resume to a specific job application.

Research the bank or potential investors and understand how they work, what they've invested in previously and most recently, and clearly outline the synergy with your business.

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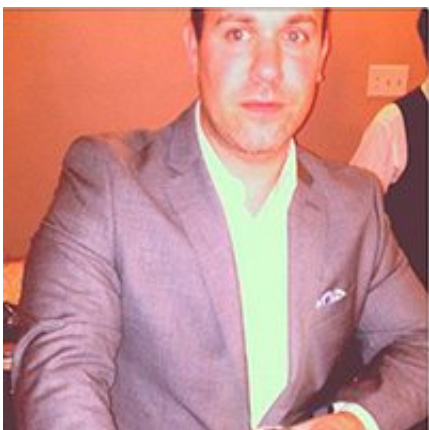
## 2. Offer a solution.

**Steven Benson, CEO, [Badger Maps](#)**

A great new business plan outlines how a business plans to solve a problem, how much it will charge for that and how much it will cost to solve that problem. It also includes why the business has the right group of people and assets to best solve the problem, how it will let people know that they

are solving this problem, and finally how the business will get people to pay to have that problem solved.

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## 3. Look at what other businesses are doing wrong so you can do the opposite.

**Sam Baitz, CEO, [Shield Funding](#)**

My best tip for writing a business plan is to take a step back while you are brainstorming, and come up with strategies

that will help you avoid falling into those traps that make so many other businesses fail. You should ensure that your business plan accomplishes these 3 goals:

- 1) Appeals to your target customer audience,
- 2) Differentiates your business as unique,
- 3) Communicates your value propositions in an articulate manner.

When marketing yourself properly becomes the foundation of your business plan, you will expand your reach and ultimately make your business profitable.



## 4. Support your business plan with industry stats.

**Marc Prosser, Co-founder, [Fit Small Business](#)**

When a new or young company presents financial projections, lenders and investors will want to have data which supports the company's financial assumptions.

Where did the company get its numbers for gross profit and amount of inventory it will need to purchase? If the company is using industry benchmarks, it will gain more credibility in the eyes of investors than saying the company made reasonable estimates. How can you get this data in your business plan? [LivePlan](#) offers this functionality as part of its [online business plan](#) software or you can comb through U.S. Census Bureau data for free.

Don't forget to also direct clients to your website! [Bluehost](#) will give you a domain, web hosting, email address, and more starting at just \$2.95 per month. [Click here for more information.](#)

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## 5. Focus on execution.

**Diane Elizabeth, Founder, [Skincare Ox](#)**

Having a unique idea with billion dollar potential is great—but if you want an investment you’re going to have to clearly demonstrate just how you are going to achieve that potential. Ideas are truly a dime a dozen. Your job is to convince the investor that you have identified the plans, strategies, and resources to bring that idea into the market—and win.

Think critically about your marketing and distribution strategies (resist the urge to be vague and try to get specific) and their feasibility. How much money will you need to compete in your chosen market? What kinds of people and skills are needed? How long will it take to execute on your plan? If you can confidently, comfortably, and convincingly answer these questions realistically, then you’ve got yourself a great business plan!



## 6. Outline Your Financial Strategy

**Jeff White, Real Estate & Small Business Writer, [Fit Small Business](#)**

Make sure your business plan conveys a clear separation between your personal finances and business finances. It will reassure investors and simplify your taxes at the end of the year. The easiest way to do this is to set up with a business checking and savings account from the start. Checking allows you to process transactions for regular operation of your business while a high yield savings account allows you to earn interest on idle capital. The free [Capital One business checking account](#) and their [high yield](#)

savings account are a great place to start.

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## 7. Set specific goals.

**Victor Clarke, The Marketing Quarterback, [Be Better Do More](#)**

You won't know if you are still on the right track unless you are clear about where you are going. Identify sales [goals](#) that are attainable. Global domination may be desirable but it's not a realistic or a specific goal. As a manager or a

business owner, you should create attainable financial sales goals for a defined period so your team is able to break the goals down into individual objectives.

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## 8. Captivate your investors by sharing an engaging story about your beginnings.

**Thom Fox, Business Advisor & Host, [The Engine Radio Blog](#)**

Tell a story with your business plan. After countless interviews with commercial lenders and venture capitalist, I

heard one thing loud and clear – they want to know the business owner's story. What drove them to start their venture. Why are they launching now? How does this fit in with their beliefs. They want to know information like this because when things go wrong (and they will) the business owner is the right person to weather the storm.

Understanding someone's passion and thought process can bely fears from financiers and others looking to back your business.

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## 9. Skew your projected business plan numbers.

Joel Razi Lutfiyya, [JoelRazi.com](http://JoelRazi.com)

When creating your business plan, skew your expected startup costs and projected first year revenues. For startup costs, add as much as 25% on top of what you project to be prepared for unforeseen costs and overages. When projecting first year revenues, calculate the most conservative amount your business can earn and cut that number in half.

Too often, entrepreneurs underestimate the true cost of starting their business and over estimate how much their business is likely to earn in the first year. Skewing these numbers accordingly can give you a better idea of what to really expect and if you beat your projections, that's more cash to grow the business.



## 10. Use visual elements to hook readers and potential investors.

Garrett Ball, President, [65Medicare.org](http://65Medicare.org)

Make your business plan fun to read. You can stay professional and still make your business sound exciting. Our business is what many would consider boring, but because it is my passion, I always try to make it exciting

when explaining it to someone or writing about it.

One good way to do this is to use visual elements. A large percentage of people are visual learners, so don't use only text to lay out your plan. Instead, intersperse visual elements – charts, graphs, pictures, infographics – that help tell, and sell, your story

and your business.

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## 11. Consider the pricing trends.

Leo Ashkan, Marketing, [Prisync](#)

If you have chosen to be in the highly competitive e-commerce industry, you need to be aware of prices. What I would like to recommend is, know the price trends via price tracking software to increase your knowledge and to have a fine-tuned pricing strategy.

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## 12. Spell it out for your investors.

Tali Raphaely, [www.taliraphaely.com](http://www.taliraphaely.com)

Show how your investors will make money! Many business plans lay out their ideas and business model nicely but forget to clarify the single most important thing – show your investors exactly how you'll get them their money back plus the return on their investment.

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## 13. Concentrate on your key demographic.

Patrick Moss, [EquityNet](#)

It's very important for entrepreneurs to identify their target market. Often, entrepreneurs will claim their product or service applies to a much larger market than it actually does, which is a common red flag for investors. Investors want to invest in companies that have clearly identified their markets and have a

realistic view of their market share. For example, if you own a coffee shop in your town, your target market isn't going to be everyone in your town that drinks coffee. It's likely that not everyone in your town visits the area your coffee shop is located, and there are several other coffee shops that have established a share of the market.

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## **14. Focus in on your executive summary and get to the hook early on.**

**Sharifah Hardie, [Ask Sharifah](#)**

My #1 Tip for writing any business plan is, your money is in the Executive Summary. No matter how detailed a business plan is, a potential investor is not going to continue reading it if the Executive Summary doesn't peak their attention. Provide the WIIFM (What's In It For Me) immediately, so that the investors knows that this will potentially be a good investment and will continue to read on. Summarize all of your information so that reading the complete plan is really just a formality.

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## **15. Read a good book about business planning.**

**Michael D. Greaney, CPA, MBA, [CESJ](#)**

Sometimes the best schooling in developing your business plan can be purchased at the bookstore. Both undergrad and graduate I've taken courses on how to prepare business plans, and have prepared a significant number.

Perhaps ironically, I found all the material in the courses I took covered at least as well, and more entertainingly, in [/Business Plans for Dummies/](#). Go figure. You don't even have to pay retail if you go to [abebooks.com](#).

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## 16. Make two business plans, one for investors, and one as a personal, guiding map.

**CHAVAZ, Executive and Entrepreneurial Consultant, Author & CEO, AYF Consulting Corp.**

Your business plan is still a sales pitch and you should have the same foundational principles but the wording should be adjusted to be appealing and engaging to the specific financing option(s) who may be laying eyes on your plan for the first time. I also encourage business owners to have a separate business plan that is private and written down like a map, as though they were writing driving directions. This plan can be a private plan that is not shared with anyone, but its aim is to keep your business on the road to success.

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## 17. Be sure your business plan has the answers to these questions:

**Debra Dixon Anderson, Founder and CEO, Light of Gold PR**

1. Which group of clients do you think best match your business? What is the demographic and what issues would those clients face?
2. How do you plan on reaching your target market? What media channels would you implement?
3. How do you want your clients to view your business and what do you want them to take away from your brand?
4. What do you think separates you from your competition?

Making sure that you provide the answers to the questions above will ensure a stronger business plan.



## **18. Create an outline of the major sections to start your business plan.**

**Dawn Kasper Gibel, [Inspired by Dawn](#)**

My best advice for writing a business plan is to not get overwhelmed with the enormity of the task. Start with an outline of the major sections and fill each in with bullet points as you come across research and ideas that you want to include. Then go back later and write each section so that it's easily understood by others.



## **19. Ask others to review your business plan, preferably those with professional experience.**

**Kenneth Burke, Marketing & Communications, [Text Request](#)**

My one tip for creating a business plan is to have your plan reviewed by one or several others who have no prior knowledge of your business concept or planning attempts. Like writing anything, when you create a business plan, and put it through personal review after personal review, it's very easy to both get lost in the minutiae and become numb to it. A fresh mind is always a good additive to business planning.

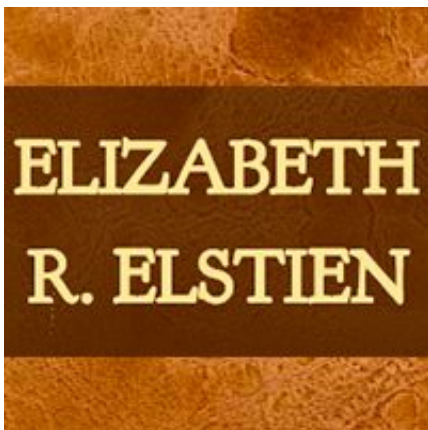
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**20. Along with professional advice, ask your friends and family to look over your business plan and offer their advice.**

Irina Iliescu, [Remote Workmate](#)

\*Don't treat it as confidential.\* Share it with your friends. Challenge them to improve it. Encourage them to ask even those silly questions they would normally be too embarrassed to ask. They might help you discover something big.



**21. Give attention to every detail.**

[Elizabeth R. Elstien](#),  
**Write.Research.Edit.Sell.Educate**

While the big picture is definitely important to where you want your business to be in the future, don't overlook the details. Financials going 3-5 years out are crucial to understanding what you need to do to achieve success and imperative if a loan is needed. Think through every income and expense, such as updating software, tax increases as your business grows and all income-generating venues.

Be creative, but realistic. Crunch those numbers and know what you have to make to stay afloat. I find that this really solidifies the business concept and inspires confidence that the business can be done. Research marketing first and do the financials next, so you have a solid idea of where you are headed before doing the rest of the plan.

# What You Should NOT Do:



## 22. Forget to review and revise your business plan.

**Evan Harris, Co-Founder & CEO, [SD Equity Partners](#)**

A business plan is not set in stone. It should not be a static document that is simply used to persuade investors. Your business plan should be updated as your business grows and potentially goes in new directions. By reviewing and revising your business plan, you are also taking the time to review where your business is currently headed and where you would like it to end up. This deep dive into the current state of your company will help you determine future goals, and updating your business plan will help you determine how to get there.

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## 23. Make empty claims.

**Cate Costa, Small Business and Startup Consultant, [www.CateCosta.com](http://www.CateCosta.com)**

Make sure that you are consistent across all sections of your plan and that everything is backed up with real data. Too many new entrepreneurs talk about all of the marketing activities they will do but then don't account for them in the operating budget, for example. Or they list a number for monthly rent that isn't realistic based on where they intend to open their store. Consistency and supporting data are both key; without them your business plan is a fantasy story, not a business plan.

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## 24. Focus fully on product development.

**David Kosmayer, CEO and Founder, [Bookmark](#)**

Work on product development AND customer acquisition simultaneously. You don't need an established product in most cases to be able to test it or even sell it. Find your core audience early on, get them involved in product

development, build a community and sell your product while working on product development!

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## 25. Make inaccurate financial projections.

**Stuart Snyder, Founder & President, [Snyder Media Group](#)**

One of the biggest mistakes startups companies make is to not properly assess the financial needs to start and maintain their new business. Besides passion, startup

entrepreneurs need a clear actionable business plan that also has taken into account the financial resources required for at least the first year of operation.

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## **BONUS: Hide weaknesses.**

**Heather Schooler, [The Money Library](#)**

One of the things that we find most small businesses don't often do is complete analysis of their strengths, weaknesses, opportunities, and threats (SWOT). We recommend that this be done quarterly. Strengths and weaknesses are what your business does well and not so



well.

SWOT shows what makes you special and what your biggest challenges are. It's important be retrospective to identify your top 5 strengths and weaknesses. A business owner needs to capitalize on their strengths and use them to build their company, while working to mitigate or delegate the company's weaknesses.

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## Over to You

Thanks to all who participated! Now it's your turn. What are your best business plan tips? Let us know in the comments section below.

Want business plan software to help you write your plan? Read our [business plan software buyer's guide](#) to learn why we recommend [LivePlan](#).

## About the Author

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### Abigail Orenca

Abi Orenca is a staff writer at Fit Small Business with extensive experience in SEO, social media management, e-commerce, and other areas of digital marketing. Outside of work, Abi enjoys traveling, hiking and almost any kind of outdoor activities.

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**Fernando** March 11, 2018 at 3:38 pm

Great information Abigail Orendia! i am surely leaning a lot of useful information making me wiser

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**Laura Handrick** March 13, 2018 at 4:19 pm

Fernando,

We agree – Abi is awesome!

Laura, Staff Writer

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**Adam Kru** February 23, 2018 at 4:28 pm

Some good tips here. But also remember – it's just an exercise. It's not the end all be all. Plans change.

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**Laura Handrick** February 26, 2018 at 2:56 pm

Wise advise, Adam!

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**Brian Pittman** September 12, 2017 at 5:56 am

Great List. Your expert business tips are really very helpful for an entrepreneur like me for setting up a successful business plan. All tips are great but #8, #15, #17 are really amazing. Thanks for sharing these helpful tips.

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**Jeremy Marsan** September 12, 2017 at 7:21 pm

Happy to help, and thanks for the comment!

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**Jonathan Merage** June 5, 2017 at 8:15 am

Your expert business tips are actually very useful and helpful to build a strong and successful business plan. Thanks for sharing a great resource of business plan tips.

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**Jeremy Marsan** July 12, 2017 at 10:55 pm

Thanks for dropping in!

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**Martin Sumichrast** March 21, 2017 at 1:10 pm

A business can be at a high risk of failing in the initial stages if it does not have a solid business plan. Thanks for providing the great tips from experts.

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**Jason Rueger** March 22, 2017 at 2:17 pm

Martin,

You are very welcome. Thanks for stopping by and commenting!

Jason

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