

Guide for Entrepreneurs

Business Plan

For Entrepreneurs

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Prologue

This Guide is aimed at Entrepreneurs who want to start a commercial activity and who need to organize their ideas and translate them into a Business Plan. I will show you how to prepare a "Business Plan" in a clear and simple way.

The business plan is like the Compass for business owners; because it indicates the way to go, during all their commercial trajectory. There are established the processes and policies of the business, therefore, the way of doing things, this will contribute to the development of the company

We will see the importance of having a Business Plan, the points and issues to consider for the preparation of the Business Plan.

This information comes from my work practice, in multinational and Panamanian companies; as well as my studies and professional preparation. It is a pleasure for me to transmit this valuable knowledge.

The Business Plan for Entrepreneurs and Experienced Business Owners

Let's start by defining what **the Business Plan** is.

The Business Plan can be said to be the Initial Document, which describes the Idea or the Plan that we have in mind, about what the business or enterprise will be. This document details the future operation, from beginning to end.

Sometimes Entrepreneurs have a brilliant idea to start a business, but they don't know how to document or express that idea. They do not know the steps to follow to implement it, nor the necessary controls to start-up their business.

Some "experienced" business owners, who ventured to start their business, without counting a Business Plan, may find themselves, at any given time, in a type of "Limbo", which does not lead them anywhere; since they do not have a definite direction to go and, most importantly, how to stay on the route, to achieve the results initially proposed.

What are the advantages of having a Business Plan?

Relevant advantages of having a Business Plan are:

- It clearly defines the Product or Service to be provided
- It allows the visualization of where the Business should go and what are the expected results.
- Establishes a clear work path, to stay aligned with the goals
- It sets short, medium- and long-term objectives
- Contains specific estimates of production and sales, by product and /or service
- It is the required document for the calculation of the first Annual Budget
- It details the organization structure and which the functions will be for each position
- There are established Policies regarding Investments, Decision Making, and Risks prevention
- It allows observing in tangible terms the feasibility of the desired objectives

The Business Plan is the base document for monitoring compliance with the proposed goals.

How to prepare a Business Plan?

The Business Plan can be prepared in a simple and concise way, or as extensive and detailed, as the interested parties want to do it. It will also depend on other factors such as the magnitude of the Business, the amount of Investment, the number of Partners involved, the regulations of the country where it is established, the Policies of the company, etc.

There are Business Plans with more than 30 pages; they detail, from a futuristic perspective, the entire business operation. They describe all operation; from the moment the company is registered until the distribution of future Dividends or Reinvestments.

However, in the case of an individual or personal venture, where not so much detail is required, nor the presentation and approval of third parties, a Business Plan can be prepared with the basic and essential elements.

To carry out the business plan preparation exercise, I have designed a simple and basic form.

See Annex “A” - Business Plan Model.

In order to familiarize yourself with each of the Elements of the Business Plan, I recommend that you, as a practice, try to fill them out or imagine what the answers would be for each case.

Objectives:

The objectives describe what is sought with the Business and what are the goals to be achieved in the future. It is good to set estimated dates, amounts and percentages. Short, medium- and long-term objectives can be developed.

Vision:

The vision details how the business is visualized in the future, where you want to reach.

Mission:

The mission is the Central Objective of the business. The reason for being of the business. What does it exist for?