

MEDIA INFORMATION

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Business plans - a compass in the gloom

According to business coach Helen Chambers, there is no better time to review your business plan and make sure your business is heading in the right direction.

“Business planning needs to be an ongoing process,” explains Helen, “and especially in today’s environment it’s vital to success.”

Helen points to five main reasons to have a good, current business plan:

1. Mapping the future - where you want your company to go
2. To support growth and secure funding
3. To plan for courses of action in various scenarios
4. To manage cash-flow
5. To support an exit strategy

“Every one of these points is especially relevant for companies of any size today,” said Helen. “Some might say that it’s impossible to plan for everything and of course, they’re right.

“But if you don’t know where you want to be, you can’t plan a route and you stay still. And companies that stay still simply can’t survive.”

Helen suggests some key questions company owners need to ask themselves to create a better picture for their planning:

What do you want your business to be? What do you want others to think about your business? What do your ideal customers look like? What do you want them to think about you as a provider of goods or services? How can your staff help you to promote your business if you don’t know what you want them to say?

A business plan also helps with financial assistance. Securing lending from banks is more difficult in today's environment but in order to stand a better chance, Helen believes that the business plan is a key defining feature of their decision.

“In particular, banks will look for signs that you understand the economic condition of your market. So you need to think about whether your business is likely to lose or gain sales; whether late payments from clients may affect your cash flow badly; and how you would react to a serious event like extreme inflation or deflation which might affect your business.

“And just because you mention these negative points it doesn't mean that you are automatically declined the lending - it shows that you are aware of your surroundings.”

Helen, of Leicester-based management consultants HJC Associates, says that even if you're not looking for lending it's still vital to refresh your mind on the long and short term plans for the business, short term in particular.

“Do your business planning on a monthly basis, if necessary. If not, plan at least quarterly. Changes can happen very quickly and you need to demonstrate that you can react to changing circumstances.”

Helen believes that some look at a business plan as a once in a lifetime event and once written, it's often shelved.

“Some look at the business plan as a huge complicated document which takes months to compile and is simply a means to secure lending. But in fact, a business plan is simply a common sense approach to running your business and should be changed to match your circumstances.

“It simply needs to show that you know your market, where your business is and where it's going. All of this information will be in your head...it's just a case of getting on paper which in itself, is a useful process to evaluate where you are.”

Helen also thinks that some business owners are too proud to ask for help.

“There's no shame in seeking assistance...it helps to ask someone independent of the company with a sound knowledge of business and various business models. Don't be too proud to ask and remember, change is not necessarily a bad thing.

Helen's advice to small businesses? “Reach up to the top shelf in the office, blow the dust off your business plan and ask some key questions. Have we got it right? What can go wrong and how can we overcome potential barriers? Do we need a view from the outside looking in?

“Now is the time, when things are getting tight, to be really clear about your message and your operating policies. Now is the time to take stock of the business and its effectiveness, and its efficiency to position yourself for a stable and sustainable future.”

For more advice and information about business planning and other services for SMEs, call Helen Chambers at HJC Associates on 01664 454643, email mail@hjcassociates.co.uk or visit www.hjcassociates.co.uk

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