Discussion Board

[Author Name(s), First M. Last, Omit Titles and Degrees]

[Institutional Affiliation(s)]

Author Note

[Include any grant/funding information and a complete correspondence address.]

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## Business Plan

To know what a business plan is, as it is a very broad term encompassing a plethora of concepts and practices, one must know what a business plan is not.

It is not a written piece of formal agreements and clauses which is composed at the start of launching a business and never looked at again. A business plan does not have to be in the form of a document at all. It does not have to follow a one-size-fits-all formula and its usage and associated studies are not restricted to business students, business owners, entrepreneurs and loan applicants.

A business plan is a comprehensive yet concise overview of an individual’s aspirations to enter the market and acts as a guide for the individual through the market ups and downs (Mariani, 2019). Normally, a business plan is a rough abridgment of the business strategy, milestones enlisted to track targets and responsibilities, and an initial financial appraisal to forecast the sales and revenues of the first 2-3 months. A traditional business plan generally consists of an executive summary, briefings about products and services, company and/or management summary, the financial plan and other details included in the appendices if the reader or audience is further interested.

The length of the business plan depends on a wide spectrum of factors, ranging from the nature of the business to the number of employees it will factor in and also on incurring costs and investment. The business owners or sponsors should be able to make any changes in the plan if need be, so the spirit of the plan should be dynamic.

## Why is a business plan necessary for small businesses?

1. To test the feasibility of a small scale business
2. To bring clarity in the business’s goals and strategies
3. To bring improvement in communication among the stakeholders
4. To identify strengths and weaknesses
5. To secure financial capital in the event of any failure

**References**

Mariani, G. M. (2019). Managing uncertainty in the start-up environment. Is a business plan an incentive or a limitation? *MANAGEMENT CONTROL*.