

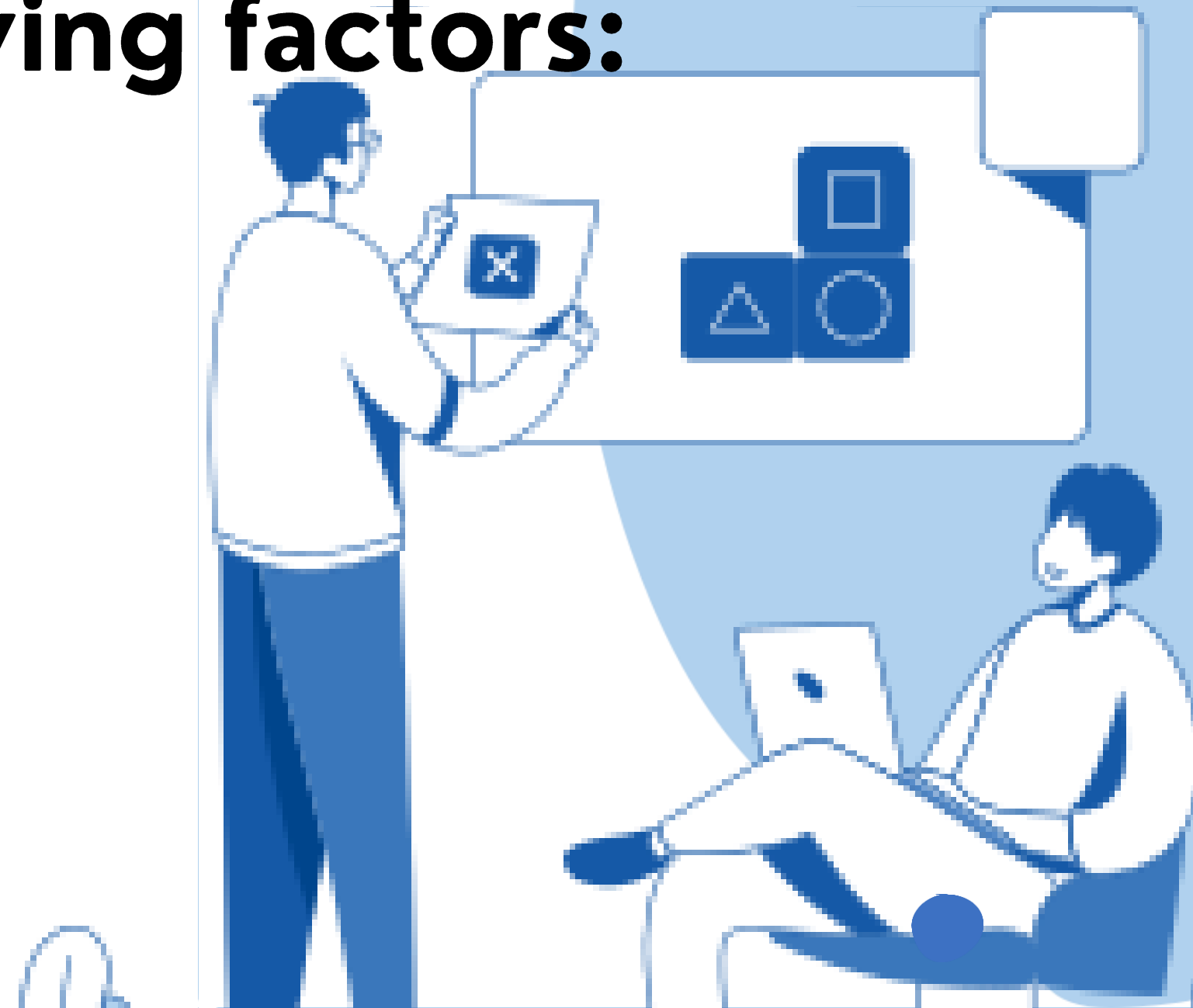
THE EXTENT OF A BUSINESS PLAN



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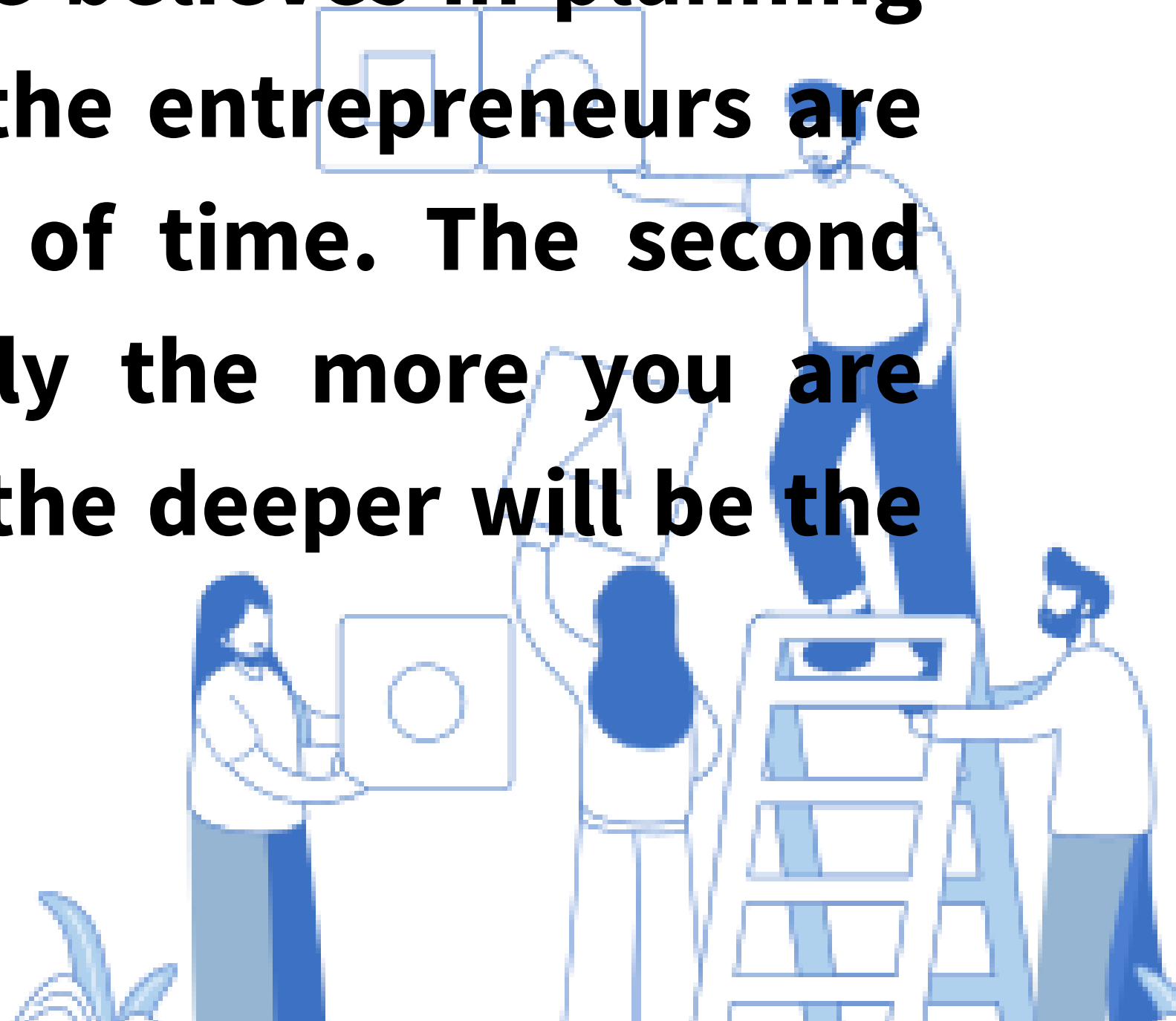
What is the extent of a business plan?

This question is related with the length of details of a business plan. The extent of business planning depends on the following factors:



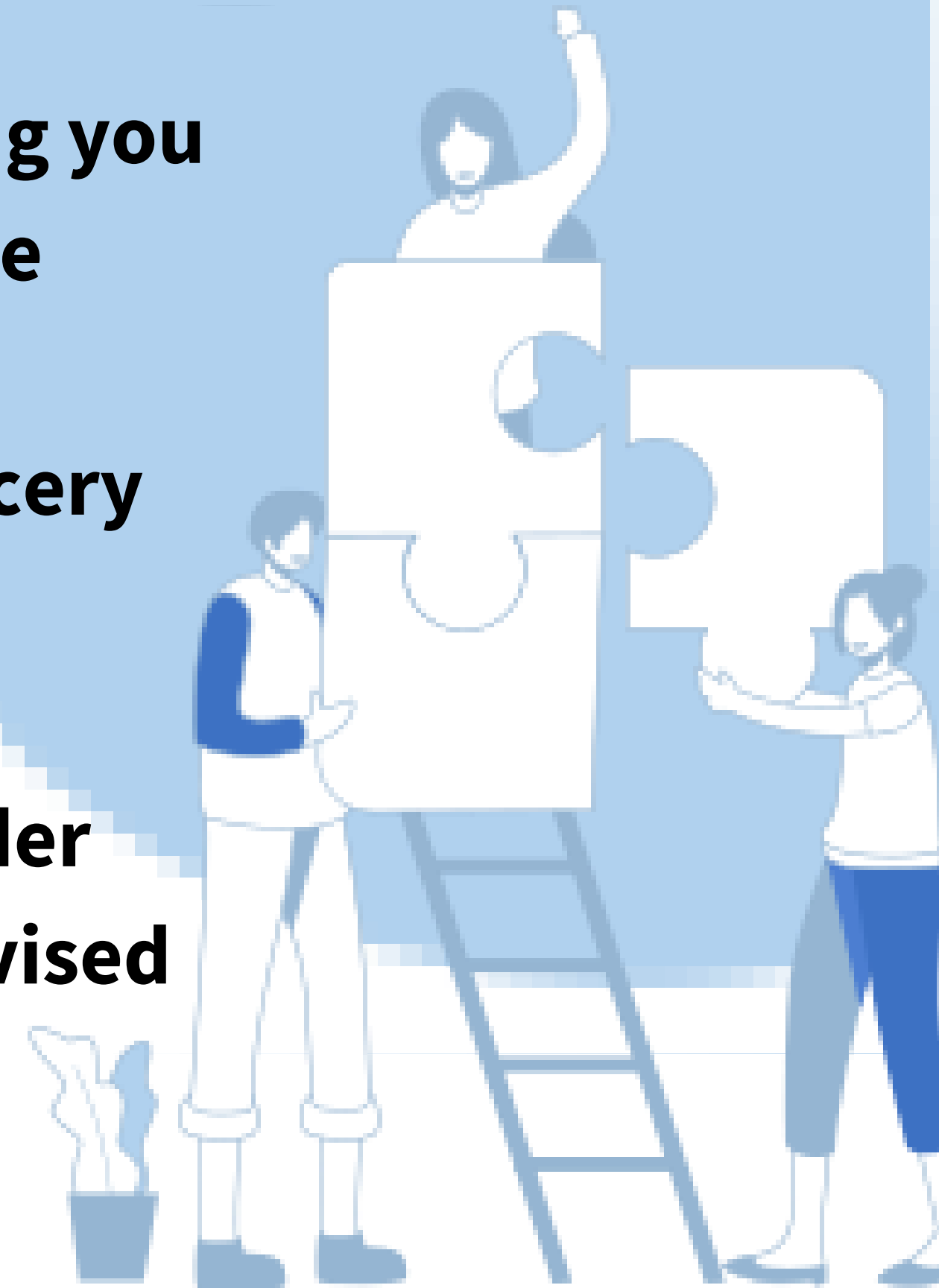
Entrepreneur's ability and preference

The extent of business planning initially depends on entrepreneurial preference whether he believes in planning or not. Research shows that most of the entrepreneurs are doers and take planning as wastage of time. The second factor is the ability to plan definitely the more you are equipped with planning skills & tools the deeper will be the extent of planning.



Complexity of business

The more complex is the business the more planning you need. It's true that extent of planning varies with the level of complexity of business for instance there is definitely difference of extent of planning for a grocery store and a manufacturing concern. It must be remembered that people generally plan less under difficult situations because it is difficult to plan under such situations but potential entrepreneurs are advised to plan accordingly.



Level of Competition

The more competitive is the market the more planning you need. E,g; it is easier to plan as there is no competitors but if there is many competitors it will be more difficult to plan.



Level of Uncertainty

The more uncertain is the environment the more planning you need. Planning is all about rational predictions of the things but if environment around you is uncertain and highly unpredictable definitely the more alternatives you need which demands more planning for instance planning

Available Time & Money Resources

The more time & money you have the more planning is possible. Obviously planning demands time and money to be executed. Consider you are given an opportunity to open a coffee shop during an international exhibition, you are allowed only 24 hours to decide now consider another situation of same type but you are allowed to take as many as seven days to decide where you can plan more? Definitely in the second situation as you have more time available.

the features of an effective business plan

As business plan is a sale-able commodity so it must be in an acceptable form for both internal and external stakeholders.

There are following points mentioned which may make a business plan effective:

- a. It must be comprehensive enough to cover all the aspects of the new venture**
- b. Must be written**
- c. Its length must be between 25 to 50 pages excluding appendix**
- d. It must be arranged in a way that each section catches readers attention for the next section**
- e. It must not be too fancy or too simple rather it must have professional outlook**