

Introduction to Business Plans: Purpose and Audience

What is a business plan?

*A business plan is a structured report that outlines and conveys a company's strategic direction, target market, operational framework, and projected financial outcomes.

*- It is seen both as a process that pushes entrepreneurs to verify assumptions and make evidence-based decisions, and as a signal that conveys trustworthiness and intentions to outside investors and partners. Good plans combine persuasive narrative with defensible data and clear assumptions (Scarborough & Cornwall, 2019).

writing a plan vs planning

Many perceive a business plan merely as a written document containing data and strategies; however, it encompasses more than that. It involves not only the act of writing a plan but also the continuous process of planning

1-writing a plan: the product

This is the document, a tangible report that communicates your business idea, market research, strategy, and financial projections.

It is used to share your vision with others (investors, partners, banks).

2-planning: the process

This is continuous thinking and decision-making — testing assumptions, updating data, and adjusting strategy as conditions change.

It is used to guide real decisions and actions, not just produce a document.

2) Main purposes and functions of a business plan

- Planning & decision-making
- Resource mobilization / financing
- Signalling & legitimacy
- Performance monitoring & control
- Learning & adaptation

3)- Types of business plans — when to use each

- Startup / investor plan
- Operational / internal plan
- Strategic plan
- Feasibility plan
- Pitch / executive summary + deck

4) - Audiences and what they care about

Audience	Primary concerns	Plan emphasis
Equity investors (angels/VC)	Growth potential, exit, unit economics	Market size, traction, scalability, team
Banks / lenders	Repayment ability, collateral, cash flow	Forecasted cash flows, collateral, conservative assumptions
Strategic partners	Fit, collaboration benefits	Value proposition, joint benefits, operational roles
Internal managers	Execution, KPIs, resource allocation	Detailed operations, milestones, staffing
Regulators / grantors	Compliance, impact	Risk, governance, social/environmental impact