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Ask the experts: Revisit business plan at least once a year

By Jamie Kennedy Jones

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Genevia Fulbright

A business plan shouldn't simply be a means of securing a loan, but a living document that entrepreneurs review frequently, said Genevia Fulbright, president of Fulbright & Fulbright and Fulbright Knowledge Alliances, both based in Durham.

Revising that plan is crucial when major goals shift, such as a change of products or services, and especially if outside investors or major lenders are involved.

Revisions should be shared not just with them, but with the people involved with the day-to-day operations. This helps them to fuel the growth and position of the company.

“One misconception some small-business owners have is that as long as the owner has the business plan in his or her head, all the workers need is the vision,” Fulbright said. “And with open dialogue with the owner, the rest will work itself out.”

A business plan should be revisited at least once a year when approving the annual budget, and a company’s strategic plan should help to guide it.

“The business plan is like a navigator to help you differentiate how your company will maneuver and make it to the ultimate goal of continued growth and profitability,” Fulbright said.

Incorporate data and experiences to show how the company serves the market better than competitors. Client feedback, including surveys, is a useful source. Peer group data, such as ranking among similar businesses, also can be used to show how a business measures against the competition, Fulbright said. The U.S. Census Bureau and chambers of commerce are free sources for this data, and financial analysts can be hired to assist with this, as well.

The plan should describe market potential based on its history and should show how its current place in the market will make expanding a service or product line easier. Businesses can use their historical data to project future financial gains and growth of the company, Fulbright said.

A business plan should also describe the roles of executives, key staff and advisers, and highlight their accomplishments, expertise and networking abilities.

Updating a business plan can help owners recognize trouble spots or challenges that hadn’t been considered.

“The business owner will see where he or she needs to rethink various aspects of the business,” Fulbright said.

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