

6 Tips To Create an Effective Small Business Plan - Business Development & Scaling Profits

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Hey I'll tell you what; I have done some stupid things in my life - and I have made many mistakes in order to gain the experience of wisdom.

Not just with dumb photos like the one you see of me, but also in business. But I suppose looking back, I was a kind of a little misguided. However, from that experience I managed to build a successful blog, consulting business, writing business and podcast. Not to mention courses and many books.

So what changed? ME ! I got myself a plan and worked with it.

For the first 5 years of my life in Small business I simply tried everything and I mean everything to succeed, but what I didn't do back then was PLAN!

And so I failed on what I attempted. You see, there are failures and there are failures. Failure isn't a bad thing as it can help us grow, get better, gain an education and give us invaluable business experience, but, do we want to always learn and never succeed? NOPE! Of course not! We need to evolve and succeed from failures.

But some people will just keep failing in life and business and never learn to do something different enough to succeed. So they cannot determine the difference between what they did wrong with what they need to do now. That is why so many fail so commonly. But luckily for me, I learned. And I applied what I learned.

I don't know what you are running right now, nor whether its big or small, or what you are thinking of starting; and I don't know what your experience is, but I do know that certain principles just work and others just don't.

So, the first question is; do all businesses need plans? Not necessarily, and some have been built very successfully without any plan.

But certainly I did need a plan as my organization skills and vision was dire. I didn't know 1) what I was doing 2) What I was working towards 3) Why I was doing it, or 4) For who. So, as you might imagine, I was a shambles. So I had to slowly learned the lessons through failure.

My advice is that I recommend starting a plan, so that you start out the right way. because when trying to start a business by 'winging it' means that no-one really knows what's going on day to day 'or' what the objectives are every day to demonstrate growth. Without specific tasks, SWOTS, roles, projections, competition, visions, missions and marketing and sales plans we are not running a business we are running a hobby. An idea or some kind of project. But we are not running a business.

So, take it from me and from my experience that, a **business plan** is a way to demonstrate that you know what you are doing - and also that investors will get a return on their investment. Very important, because if you need funding then you also need an investor who can be comfortable and confident in lending you money.

Some may not need funding as such and they can manage to keep costs low and they may **start** their own **businesses** without borrowing, but regardless of that, you still will need a **business plan** so you have that blueprint and roadmap to hold in your vision. **Now, thankfully my days of looking like a Knucklehead on spring break are over, and I got myself organized and clear on my vision, so - I just wanted to illustrate what being a dumb ass can create for you if you negate the vital components of starting and scaling right.**

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TIP 1: I used to try one thing and then another and I went from failure to failure without measuring my progress. Don't do that! Be committed to your business and become obsessed with your craft.

“Unless commitment is made, there are only promises and hopes; but no plans.” ? Peter F. Drucker, author and educator

TIP 2: If we continually move from one thing to another we will probably fail - But why? **Simply because we are not focused on doing one thing fully and effectively. So we don't have a driving force to keep us going through the tough times. When challenges hit and we are not prepared then we tend to move on as Human beings who are scared of being hurt. What this creates is a person who never really succeeds at anything, but who drifts 'hoping' for a lucky break. Become capable and competent and master your thing.**

ONLY when I got the importance of planning did I understand what business really meant. Aside from the photo there and my dumb past mistakes I luckily grew and applied what I learned with the right people. However hard those lessons were, I got better and eventually built a great Small business and sold great products. That's why I am here now sharing with you that you need to sit up and listen to what I am about to share.

IF you are really serious about creating a successful Small business you need to apply what works - period. Agreed?

I was recently driving down my local street in Bristol in the UK which has many wonderful and independent businesses upon it - and I was looking at what the owners of these businesses were doing. (I always do!) I love to see passionate types expressing their ideas but also how they operate. So, as drive past every day, I see these people 'some who have planned' and others without the first clue about starting a business. You can see the difference as well.

What I see is the excitement and energy these people have about their new venture and I feel for them as many are gone within months.

The cold hard truth is that 'some make it' and some don't; and it's the same reasons why those that fail - fail. They just miss those vital components.

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So - I will show you now what YOU MUST DO if you want to grow a successful small business.

And this is no matter what type of Small business you are in either.

No matter what you wish to do, you need to have a few core things in place which are fundamental to growing your enterprise consistently - and that means starting right if possible.

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TIP 3: We are living in a world today where constant change is pretty rapid, where mass consumerism is rife, and a need for convenience is an absolute must, so it is a pretty crazy and chaotic business landscape out there for both buyers and sellers. And WE have to be the ones beating others to get that attention.

We have to be able to do whatever it takes, such as entertain, educate and execute with extreme awareness in order to capture the attention of those we are trying to sell to and to

beat competition in doing so. So, this means that we have created a plan and have a powerful brand, but we also are marketing in the right ways with the right products and services. No easy task, but one you will have to get right.

In today's business world many of us are also living with an uncertainty, which always tests us and our ability to cope with what life throws at us. And the primary cause of this is because - not only is the world gone crazy about having things NOW but our minds are also being filled more and more with useless information.

TIP 4: Thinking differently. Imagine what it is like when a well meaning decent person wants to escape the craziness of the world and start a little passion driven business? They think it will be an easy ride to get out of this uncertain world! But of course it can be much worse, because being an entrepreneur is tough, and it consumes a person. There is no more getting paid to fulfil a role, this is about working tirelessly to stay afloat in that first year. We need to change WHO we are and who we have been in order to THINK like a business owner.

But, if we go into an idea of starting a Small business with the vision that we are escaping the 9-5 and that it will be easy, we are very wrong.

“The only way you are going to have success is to have lots of failures first.” – Sergey Brin, co-founder, Google

We will fail in life and in business of course, but if there are ways to reduce risk then they are worth paying attention to.

So, we are wrong when we go into business with a mentality which is often a Ego driven employed mentality. This only means that we switch our job for an even tougher job - as we try to 'do it all' and we try to run a business by juggling roles. Not only does this seldom work, it means that around 80% of small business venture's fail. So, if we are to succeed then we will need a great ATTITUDE which is prepared to learn as a student and a good business plan.

TIP 5: So now let's look at creating a successful small business plan:

Every business needs to have a written business plan and this is whether it's to provide direction or attract the right investors, so, a business plan is vital for the success for your organization. But, how do you write a business plan?

A solid business plan will include:

- Executive summary -- a snapshot of your business
- Company description -- this describes what you do
- Market analysis - the research on your industry, market and competitors
- Organisation and management - your business and management structure
- Your service or product - What will you be offering
- Marketing and sales - How you will be marketing your business and what your sales strategy will be
- Funding - The amount of money you will be needing over the next 5 years
- Financial projections - The information of balance sheets
- Appendix - to provide supporting documents and materials that were specially requested. This includes credit histories, resumes, product pictures, letters of reference, licenses, permits, or patents, legal documents, permits, and other contracts.

Have you got that? This is critical and something which I always implement. So I recommend that you fully grasp this and master it.

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TIP 6: Business development

This will entail the application of specific daily tasks and processes in order to to develop and implement growth opportunities within the organization. It is a subset of the fields of business, commerce and organizational theory which you will be operating with every day. This means the creation of long-term value for an organization from customers, markets, and relationships.

Your own Business development can be taken to mean any activity either in a small or large organization,

a non-profit or for-profit venture, which serves the purpose of 'developing' that business in various ways.

So, how do we go about this? Your business development activities can be achieved either internally by you and your team, or externally by a business development consultant. Other external development can be facilitated through certain planning systems which are put in place by governments to help small businesses.

Something worth looking at when developing your business is in aiming to grow your reputation in leveraging media, PR, charity events, shows and so on which can elevate your brand and business in order to attract back more business. For example, I recently watched a great show about Custom Car builders in the USA and they made a car which was so rare that it was in huge demand, and it was gifted to the Los Angeles museum of cars which in turn gave them great exposure and experts positioning, thus driving more business their way.

TIP 7: Scaling

Everyone talks about growth in business right? OF COURSE without it we wouldn't get anywhere of course, so, in the Business world, we all know that GROWTH is a key word. But, we also know that if we fail to demonstrate this it spells DOOM! For you and I - and in the name of a new business we need to fully grasp what growth means but also what scaling is and what it really means.

Typically, for a new startup there needs to be A) a product and B) to establish a market, and then C) to create GROWTH. Simple right ? Sure, so, let me explain and define now what the core differences between growth and scaling are - so you know now moving forward.

Before I move onto that just know that there will always be risk no matter what path we choose.

“Almost everything worthwhile carries with it some sort of risk, whether it’s starting a new business, whether it’s leaving home, whether it’s getting married, or whether it’s flying in space.” – Chris Hadfield, astronaut

Generally speaking; any business will be risky! And it will need to add new resources which means it's revenue increases as a result. It might be more space, better tech, or whatever else it might be, but by contrast, we are *scaling* when the revenue can increase without a substantial increase in resources; meaning; using the same resources and tools. In doing so, we are placing the same amount of effort into what we are doing, but we can make a greater impact in some way.

It might be that we simply tweak our current resources slightly and we may achieve greater results, or we may be more efficient in our processes which may equally increase sales.

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So, as you can see - there is a definite distinction between scaling and growth and here's why:

Growth may be for a specific company that they are increasing revenue as a result of 'being in' and operating their business well. It might also refer to another area of the business which is growing, such as more team members, more locations, or even a growth in customers. And any number of these areas will be connected to growth of revenue.

How is this managed? It isn't always managed correctly, so this creates issues whereby some business cannot sustain consistent growth as they cannot manage their resources.

So, if you can imagine any small business which only has 5 to 10 employees - and which can be perfect in operation, may not cope with more customers or clients. So, therefore with current resources they cannot handle more work. Businesses that offer professional services such as mine always have to deal with the

issue of how many clients to take on.

Taking on more clients for me can lead to hiring others who can do my role, and whilst this can increase revenue, it increases the costs at the same time.

But not only that - I cannot guarantee the work of others as I can with my own work. So, you can see that there are potentially a few issues with this.

What this means is that 'in knowing what costs and issues may be faced with growth' many new business owners and founder tend to lean towards scaling.

The key distinction here with growth is that it can cost a great deal, whereas scaling can be achieved by increasing revenue without incurring significant costs.

So you can see that, in adding customers and also revenue exponentially, the costs should hopefully increase incrementally, if at all. In this sense Incremental costs really means regular, measurable movements that are usually small.

Successful scaling business:

The difference between growth and scaling becomes most clear when a business has to make a decision about whether it continues growing at a regular rate or if it decides to change into a more rapid scaling process. Whatever you decide upon or whatever you choose to work with, you have to be consistently capable of measuring and monitoring your costs and not allow overheads to disable your business. As with all business large or small, there are still no guarantees at all, and some of the most successful companies we see today have been able to master their model and to expand through understanding and implementing the right core strategies in scaling and growth.

Scaling instead of growing:

It's absolutely not possible to give one set solution to make your business scale exponentially OR to grow how you wish, and that is why there are always risks, however, I wholeheartedly recommend that you use the resources out there and below to better help you make a decision on your own direction and decisions. I hope that this post has at least helped you to better understand what is typically used to create opportunities to succeed, whether you scale more or apply growth strategies. This is important to understand - as you will be armed with greater awareness moving forward no matter what you choose to do.

As I am sure you can see here, there are particular areas which need to be taken into consideration and explored with the right team.

Here are some posts you might enjoy:

[7 BUSINESS IDEAS THAT SCALE](#)

[5 MYTHS ABOUT SCALING A BUSINESS YOU NEED TO KNOW](#)

[WHY ENTREPRENEURS DON'T SCALE](#)

“Strength and growth come only through continuous effort and struggle.” – Napoleon Hill, author

As always I wish you the very best

Greg

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