

Why You Must Have a Business Plan

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An idea for a business is really just an idea until there is a verified need and a unique solution to meet that need, the idea and the competition are researched and analyzed, the target market is identified, financial and marketing strategies are developed, and everything is reduced to a well written plan—called a *Business Plan*.

A simple Google search can retrieve great sample business plans. There are also numerous courses and books on starting businesses and writing plans, many are tailored to specific types of businesses. Maryland offers great resources for starting a business, running a business, and doing business with the state ([see Maryland Business](#)). Another great resource for preparing a business plan, starting a business and having a successful business is the U.S. Small Business Administration <http://www.sba.gov/>.

A good business plan will serve as a guide for starting and operating the business. It will include an **Executive Summary** detailing the need, the solution, the market, the strategy, the location, and the founder(s) of the business. The **Mission Statement** will state the purpose and philosophy of the business. The **Form of Business** will include the type of entity and its requirements from strategic, liability, financial and tax perspectives. This section will also include the required licenses, permits, and registrations. The **Financial Plan** will include revenue projections, start-up costs, and expenses like office/location costs, utilities, bank accounts, computer hardware and software, supplies, furniture, subscriptions, staff, and other expenses unique to each business. Business plans also include **Long and Short Term Goals and Objectives**, timeframes for meeting milestones and detailed plans for the first several months and years of operation.

The **Marketing or Business Development Strategy** is the most important part of a business plan. Here, you detail your target customers, brand, competitive stance, and integrated marketing approach (online, email, print, television, radio, articles, billboards, client meals and entertainment, event sponsorships, seminars, speaking and teaching). This section also details networking contacts, organizations and opportunities (professional, civic, community, political, charitable, social, or recreational). The marketing strategy also identifies potential partnerships, alliances, sources of referrals and cross-selling opportunities. Finally, ways of increasing your expertise or production, improving your skills or efficiency and improving your business by leveraging technology and enhanced management can be included.

After you have a well written business plan, it's time to execute! I once read that "procrastination and planning are one in the same because you have not done anything." One of my favorite gospel songs begins with the artist saying, "Opportunities of a lifetime must be seized in the lifetime of the opportunity." I say all of this to stress the importance of planning and then putting that plan into action!

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