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Defending Today'S Business Plan

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Coldwell Banker fundraiser benefits Hugs for Haleigh

BUSINESS IN SAVANNAH

Coldwell Banker Platinum Partners recently raised more than \$1,500 to benefit Hugs for Haleigh through a Boston Butt sale.

Jake Jacobs, Benny West and David Jones provided the grills and the gas and served as cooks. More than 1,950 pounds of pork — 247 smoked Boston Butts — were delivered.

Hugs for Haleigh is a Plat-

inum Partners program to assist with medical costs for fellow Realtor, Libby Jordan and her family in support of their 9-year-old granddaughter, Haleigh, who suffers from ASL and recently underwent a liver transplant.

For more information on this cause or to donate to the Hugs for Haleigh, call 912-352-1222 or go to savannahhomes.net/hugsforhaleigh.html.



Courtesy of Briana Hassibi/Coldwell Banker Platinum Partners

Jake Jacobs, Benny West and David Jones donated grills, gas and cooking skills.

Defending today's business plan

When anything becomes fashionable, it is usually wise to be wary.

It currently seems fashionable to argue that the business plan is dead in entrepreneur-



Luke Pittaway

ship, that it has no real value for entrepreneurs and no purpose in entrepreneurship education.

Two leaders in the entrepreneurship field are currently arguing this and beginning to get some traction.

First, Carl Schramm of the Kauffman Foundation argues in Forbes: "Much of the how-to work is then focused on how to write a business plan and raise venture capital, which is bizarre given that (a) many successful entrepreneurs do neither, and (b) the business plan, despite its totemic status in academe, is far from the end of the entrepreneurial process and will probably change utterly during that process."

Secondly, Babson College has recently produced research demonstrating that entrepreneurs rarely develop business plans and that business plans once developed do not represent the reality of running the business.

Now few people would dispute that there is a need to shift from forms of education that teach knowledge to forms that teach skills and allow people to practice entrepreneurship as Schramm argued.

Nor would many disagree that we need to expand the methods of experiential education that are currently being used beyond purely the business plan. Likewise few would disagree with the Babson research.

No business plan ever really represents what happens once the business is started and, yes, it is true a large number of entrepreneurs are successful without ever producing a plan. But, again, this is not a good argument for getting rid of business planning altogether or for avoiding its use in education.

Even when there is little connection between the original plan and reality, the merits of planning for an entrepreneur have value and they deserve more recognition. They include:

- The planning process is a process of decision making about whether the business is really attractive to the entrepreneur (i.e. whether it might warrant giving up paid work).

- Going through business planning also helps build confidence that the entrepreneur is on to something unique that would be attractive to customers and investors.

- It can be used as a process of consultation and team building, enabling proposed partners to iron out specific aspects of the venture while building trust and developing their team's work culture.

- As well as building trust, it enables the team to focus on the nature of the proposal, helping them develop a shared vision of the future and how they intend to exploit it.

- The process of planning also allows entrepreneurs to test out assumptions and refine arguments.

- By allowing reflection and refinement, it can also allow entrepreneurs to anticipate mistakes before they make them.

- The planning process is important for persuading people. Not just investors, but prospective employees, suppliers and even customers can be more convinced about the prospects for a business once they have it validated in writing.

- As a process it is also a way of becoming more informed about all aspects of the venture, especially specific technical issues, which becomes important when discussing the venture with others.

- Finally, it allows entrepreneurs to set benchmarks and performance targets through which they can consider and measure the progress of the venture later.

These qualities are above and beyond the fact that many stakeholders will require a business plan anyway — from investors to prospective employees.

Business planning has many benefits, and entrepreneurs avoid it at their own peril.

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