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January 2010 Newsletter

With the New Year comes new optimism. Whilst Fund Managers and those with vested interests try to convince everyone the worst is over, independent market commentators are bracing themselves for further tough years ahead. Either way what can you do to ensure your business is ready and protected?

Good Business Management starts with a Good Business Plan

Recently I was asked my opinion as to what I thought was the biggest obstacle to starting a new business?

Do you recall what prevented you from starting your business? And what really was the biggest obstacle in starting your business when you did finally do it?

I'll bet what you thought was going to be your biggest obstacle was not what actually ended up being your biggest obstacle. Why? Well I believe that what entrepreneurs think will be the biggest obstacle is what they concentrate on solving before they actually start the business. They resolve or minimise the effects of this and as such it doesn't dominate the business owners "to do" list after all.

Unforseen Obstacles

But, and it's a big but, ironically what probably becomes the biggest obstacle is normally something that is probably almost completely unforseen. Perhaps it is marketing, perhaps its closing sales or perhaps it is cashflow forecasting and financial management. Whatever is actually the biggest obstacle is normally the one thing that is taken for granted or not planned for at all during the business start up phase.

The solution to this? A good business plan. Simple. And for existing business owners now is the time to review your existing business plan or to put one together if you don't have one! IT doesn't take that long and should be viewed as being crucial to do once a year. Apart from the useful exercise of reviewing your business as it currently is today as objectively as possible, this exercise should also provide you (if you do it right!) with an "Action Point" list to get stuck into for the New Year!

Free Business Plan Templates

Business Plan templates can be found free on the internet. Make sure you get one that is relevant for your industry and that you can use and understand. If you don't it won't work!

The basic components of a Business Plan are:



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- Overview of your business currently
 - Background of your business
 - Structure of your business
- Marketing Plan
 - Objectives of your marketing
 - Strategy for delivery of your marketing
- Business Environment
 - Analysis of your market
 - SWOT Analysis
- Operating Plan
 - Products & Services
 - Facilities
 - Resources
 - Risk Management
- Financial Analysis
 - P&L Budget
 - Balance Sheet Budget
 - Cashflow Forecast
- Future Business Goals
 - Business & Personal Goals
 - Action Plan

Seek Input From Others

You should seek input from both managers in your business and external advisors such as your accountant and marketing consultant. It is crucial you seek other peoples input to ensure you look at your business from all angles. Find out what you “don’t know” about your business. There may be things happening, or not happening, that you are unaware of. These issues may also be having effects on your business you are unaware of. For example; your accounts person may be annoying key customers where their unprofessional approach to collecting overdue invoices. This might be affecting the amount of business they are doing with you. You never know unless you ask. And don’t be afraid of the answers!

Review Your Business Plan Regularly

Avegna have found that most underperforming businesses do not regularly review their business plan or the action plan from their business plan. This is crucial for future success in any business otherwise why plan at all? Stop working IN your business and work ON your business.

As the saying goes: one definition of insanity is doing the same thing over and over again and expecting a different result. So if you want grow your business, if you want to sell more than previous years then you need to make a change. Start with a business plan.



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We have several templates for business planning that we are happy to provide for free. Email us on info@avegna.com.au.

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