

Let's "Do" a Business Plan

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From one point-of-view, the act of writing a business plan is applied, and integrative. Knowledge gained from across a curriculum that has included marketing, accounting, business law and other courses can finally be tied together in a course like entrepreneurship, where students prepare to conduct business in a "real world" context.

If their plans are well written; if their plans are well conceived; if their financials make sense; if their assumptions are realistic; if their marketing mix and operations strategies are sound; and if they are persuasive presenters—students can submit their term projects, and far too often, that will be the end of that. Once graded and returned, the plans written by many students will not see the light of day, ever again.

Perhaps there is a reason for the above scenario, and perhaps there is a proactive response on the part of teachers (and students) to increase the likelihood that a business plan written in an academic course will have a life, after that course is over. We should not all be professors who issue the likes of Fred Smith (founder of FedEx) a grade of C because their plans are not feasible, even though well written (Collins & Lazier, 1992). In the history of innovation, it has often been the case that what was not considered feasible—or even possible—at a given point in time did indeed come to pass, and sometimes even flourish. As teachers, we must give students' plans a life of their own by recognizing that real plans are never finished, and feasibility is rarely seen so clearly as when it is viewed through the lens of 20/20 hindsight.

Over the years, this author has discerned two basic approaches to the development of (marketing) and business plans on the part of students: *active*, and *passive*.

Those students who take an active approach tend to develop plans that other persons can easily grasp and visualize as ones that could very well come true. Students who approach the business plan development process as though the goal was to write yet another term paper might be characterized as passive. Some in this latter group may write well, even with bravado and authority, yet one could imagine that these individuals would have a long way to go in terms of actually implementing the plans that they have written. Hence, the metaphor associated with the title of this article was developed for classroom

use: “Let’s ‘do’ a business plan” versus “the assignment in this course is to ‘write’ a business plan.”

“What’s the difference between writing a business plan, and doing a business plan?” one might ask. In short, “doing” a business plan is like “doing lunch”—it can be fun.

Activities

The following activities are examples of assignments that students seem to easily understand, and those who “do” them tend to complete a course as completely changed persons.

The competitive market map.

While one should acknowledge the value (and ultimate use) of data that serve to define a market area geographically, an activity that has proven useful is to suggest that students obtain a map of a given area, and identify competitors on that map with pushpins, notes, and other mechanisms. For instance, suggest that students visit several restaurants at various times of the day and conduct competitive shopping visits, similar to “mystery shops” (Kephart, 1996; Kane, 2004, p. 43). Have students count customers, observe the average order size, taste the food, collect a menu (the take-home kind only, not the fancy permanent ones, please!), and make additional operational observations such as those pertaining to customer service experiences.

In the case of a video store, suggest that students note the number of videos on a shelf, the number of shelves in a display section, and the number of display sections on a wall, and so forth. Next, multiply and determine approximately how many tapes (DVD’s, games, et al) are in a given store’s inventory. How many personnel are on duty; what’s the rental rate for a new or an older movie; how busy is the store? These are all good questions to ask if one is learning to think like an entrepreneur. Future managers and intrapreneurs may also benefit by learning to analyze strengths and weaknesses, and subsequently “find opportunities that others either miss or perceive as unattainable” (Thornberry, 2003, p. 332).

Find a supplier.

Every business has suppliers, even service businesses. Consultants need stationery. Graphic designers need printers. Internet businesses need hosting. Cabinet makers need wood. Retailers need

merchandise. Since we know that in some instances (in the “real world”), suppliers may actually become a vital source of business capital in effect by providing favorable terms, inventory, services, or other contributions to a start-up, it behooves one to find reliable suppliers and build relationships. The first step is to identify suppliers—passive students normally stop here. Active students actually go out and interview suppliers.

Find a customer.

Every business needs customers or clients. Students can use a variety of primary research methods—both quantitative and qualitative—to explore the needs, wants, and perceptions of prospective customers. Gaining first-hand experience with a focus group to test a product idea (this can also be implemented in class using students as focus group members) is often a gentle step to introducing students to the marketing researcher’s tool kit.

Administering a survey is also practical. Students may gain valuable insights from both the data gathered as well as the process itself. Conducting mall intercepts, telephone interviews or administering instruments by mail are all possible alternatives (albeit, probably on a small-scale) that are available to students. In the event that students do utilize primary research gathering methods, be sure to suggest that they do so early in a given term so that they will have adequate time.

Find a speaker, or a recruit an entire roundtable discussion group.

Teachers are often good at finding speakers. After all, what we do for a living is find content that we hope is valuable, and disseminate that information. It’s fairly easy for us to network in our respective business communities, if we try. However, many students need practice at planning as well as networking. It is usually flattering to be asked to speak, and therefore the rejection factor is minimized when students suggest that they are working on behalf of a class to put together a roundtable discussion or recruit a speaker themselves. As an added benefit, whoever initiates contact becomes the relationship owner; thus, it’s a good idea for students to make the contacts.

As a classroom exercise, students may also be allowed to brainstorm as a group and nominate individuals who would make interesting guests. Entrepreneurs—both struggling and accomplished—often serve to emphasize or add both credibility and resonance to material that is covered in class. Bankers,

CPA's, advertising agency personnel, small business attorneys, and other experts can also lend both variety and insight to a course. It's a good idea to assign the task of identifying candidates (through research) prior to conducting an in-class nominating session by giving the assignment: "Be prepared to name someone you would really like to meet." Further, as it may take some time to schedule guests, the nomination and recruitment processes should take place earlier in a course.

Find and get to know a banker.

As we know, bankers by far prefer to lend money to businesses that are already established. However, banks do compete from the very beginning for business customer checking accounts, credit card processing, automobile loans, and customers for additional services. In real life, relationships are built over time, and when a banker has come to know (and trusts) a business owner from the very beginning, it's easier to pass muster on a loan request. As Jones (1992) suggests, "Know the banker: stay in touch" (p.75).

Students may therefore be directed to collect information on business checking accounts and conduct interviews with local bankers. Often, printed materials are available, and these make great artifacts for classroom discussion. Teachers should not forget that for some small businesses and some types of accounts, credit unions may also provide viable alternatives.

Build a model.

Using models and otherwise presenting information visually "makes a new idea come alive in a way that describing it in a report never can" (Anonymous, 1996). New product ideas often are amorphous, and models, sketches, planograms, prototypes and other such devices may allow individuals to experience cognitive ownership of a construct.

Real estate developers utilize architectural models to allow buyers to visualize living in a planned community, or to contemplate leasing an office space in a prestigious new high-rise. Automobile and aerospace companies use models to communicate an aesthetic vision as well as to conduct performance tests on new designs. Filmmakers use storyboards to depict scenes and to serve as a reference during production. Home improvement stores feature model kitchens and bathrooms.

Experience with students who have utilized models and other tools for creative visualization and

communication has shown that most are still capable of invoking the powers of imagination often exhibited by children, with a grown-up twist that makes their plans come alive.

Develop sample advertisements.

Experience has shown that students' work is ordinarily amateurish when it comes to an assignment such as this one. It is not easy to create, or to execute great advertising. For instance, the reason food, people, and products look so good in photographs is that they are usually shot under controlled conditions (and manipulated further during the production process—a blemish is no match for an airbrush).

To give students a boost up this particular learning ladder, one suggestion is to have them take advantage of art clippings from published print advertisements. These clippings can be combined with headlines that they (students) create using desktop publishing or word processing software. Without the above direction, students have often resorted to using clip art and other template-type resources that accompany software programs, and the results look positively homely.

Another variation, if the technology resources exist, is to suggest that students string a series of static images together to make a commercial. Moderate zooming, panning, titles, audio content and other effects can yield results that convey the general idea. (Advertising agencies and film producers sometimes animate storyboards in a similar fashion to communicate concepts before the expense of actually producing them occurs.) Students who are particularly talented, or brave, might also try shooting live footage.

Other advertising, such as radio commercials can be produced using music clips, voice over narrative content, and sound effects. There really are few limits, even with a student-sized budget, to creating sample radio, print, television, internet, outdoor, yellow pages or other advertisements when students are presented with this challenge.

Additional (Short) Suggestions

- Create a company brochure (or a mock-up of one that is too expensive to actually produce for the class).

- Meet with a CPA, small business consultant, business insurance broker, prospective ad agency

account executive, or other prospective business resource.

- Develop a website.

- Create a logo, and then apply it to stationery, business cards, and other collaterals.

- Identify an advisory board.

- Write a speaker's bio.

- Go shopping for the business (utilize catalogs, the Internet, and actual visits to identify inventory, equipment, facilities, services, and other resources associated with establishing the infrastructure of the business).

Conclusion

Writing a business plan can be sheer drudgery for students, especially if they do not like to write. Research, as it is often introduced, can be perceived as anything but fun. Therefore, given that writing and research constitute the means to developing any business plan, teachers need a way to lead students toward a greater sense of involvement and understanding.

Students who are actively engaged will come to realize that the plans they write are merely a representation of a whole series of activities requisite to gaining the insights, interpersonal connections, and wherewithal necessary for creating a real business. Active learners, like successful entrepreneurs themselves, are fully engaged in the types of activities that are outlined in this article. Solid business plans and feasible businesses are a consequence of action.

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