

# "Business Plans are still a vital tool, even in today's digital world"

By Simon Castillo

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Many of us have heard or read these lines somewhere in our daily digital routines but how many of us actually believe them? In reality, the Internet may in fact one day be a trillion dollar a year business but is there such a thing as "guaranteed success" online? The answer is definitely not, at least not the way many Internet marketers make it sound. The truth is if you want to start your own business on the Internet or anywhere for that matter you will need some time tested ingredients: motivation, creativity, imagination, innovation and good old fashioned hard work.

How many of you have seen the commercial where a group of entrepreneurs open their website for business and moments later orders come pouring in. What a fairy tale! In reality there are lots of different ways to set up a website for business but the one key element to start with is a plan. The business plan is a vital step in your future success. The plan forces you to consider such things as marketing assumptions, operations plan, financial plan and staffing plan along with your product plan. You'll end up spotting connections you otherwise would have missed. Say for example your marketing plan projects 5000 customers by the end of the year. How can a one or two person business hope to generate 5000 customers? You may realize that you will have to concentrate on bulk advertising, affiliate programs, reseller's and other promotional techniques in order to generate that amount of customers.

As part of your operational plan, you alone will determine what the major marketing and financial milestones will be. When you are the founder, only you can be held accountable for the results on a daily basis. The plan then becomes a baseline for you to track your progress. If your website was to be completed by October 1 and it gets done by September 15th, you can ask why? Was there some breakthrough or did someone just put in a heroic effort? Did you simply overestimate? The lessons learned will help you do a better job in the future.

Even more than a tool for after-the-fact learning, a plan is how you drive the future. When you write, "We expect 100 customers by the end of year one," it's not a passive prediction; you don't just wait for the customers to show up. It becomes your sales force's goal. The plan lays out targets in all major areas: sales, expense items, hiring positions and financing goals. Once laid out, the targets become performance goals.

So you see, the business plan is still a necessary function, even in the dot-com world of today. You will find yourself using your plan for so much-managing yourself, operating the business and even fund raising. Before you think you can skip writing a detailed business plan, consider all the implications and what they mean for your future business that go along with not having this vital business tool.

Simon Castillo is founder of <http://www.Siberprofits.entrepreneur.com> . The site is dedicated to bringing you a variety of small business resources. Learn how to market your products online, sign up for banner exchanges, learn about submitting to search engines and partnering with affiliate programs. Visit the site and sign up for a free weekly marketing newsletter as well as other useful information and products.

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