

BUSINESS PLAN – MAJOR MANAGEMENT TOOLS IN DEVELOPMENT OF A BUSINESS

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***Abstract:** In this paper are treated theoretical aspects regarding the business plan and its importance in starting or developing a business.*

A business plan may have as benefit the presentation of the company or the idea, of project, of business. This can be done both for existing businesses and for businesses to be launched.

Business plan, to be successful, must take into account the profile of the business, the environment in which it will perform, business objectives and by the purpose pursue by its achievement.

***Key words:** business, business plan, management*

INTRODUCTION

For any person, the moment start of a business can be an important one. The ability to make their own decisions and freedom in elections constitute a fundamental change in a person's life. But also the business must be taken seriously and for this purpose it is necessary to attach great importance to the early first steps.

It must, first, to decide urself on a product or service that we want to make it publicly available. As we know, there is competition in every field, so anything we think to sell, probably area already hundreds of other businesses that are trying to promote and sell the same think. We can choose whatever we want, but make sure that we offer to this product a competitive advantage, something to differentiate it from others in the market, to attract more customers.

In conclusion, a detailed business plan and well thought will escape from the problems that may arise later.

MATERIALS AND METHODS

The authors have used the methods of work: identification and data collection, processing, analysis, observation and interpretation.

RESEARCH RESULTS

Business Plan is closely linked to the business environment and its evolution, as a result the first business plans appeared long before modern communication means of information society.

According to Professor Nicolescu, the business plan is a enterprise-management method of designing and promote a new business or an significant development existing business, starting from the identification of economic opportunities which determines the objectives to be achieved, it is sized and structured the main resources and activities required, demonstrating that it is profitable, that deserves to be supported by potential stakeholders.

The business plan should be well structured and follow a logical path. This should give answers to some fundamental questions such as:

- *Who are you?*
- *What are you doing?*
- *From where you come?*
- *Where you want to go?*

As a management tool, the business plan can be used to:

- identifying and setting business objectives
- development strategies
- creation of appropriate structures
- definition of the activities and responsibilities
- measuring and improving results
- performance evaluation and motivation of employees
- communicating a message of the firm managers to suppliers, potential investors and financing banks

Whatever the size of the business plan, to be considered complete, it must contain the following structural elements: the summary of the business plan, business diagnosis, the mission and business objectives, market analysis, marketing and sales, products/ services, company management, financial information, risk management and plan annexes.

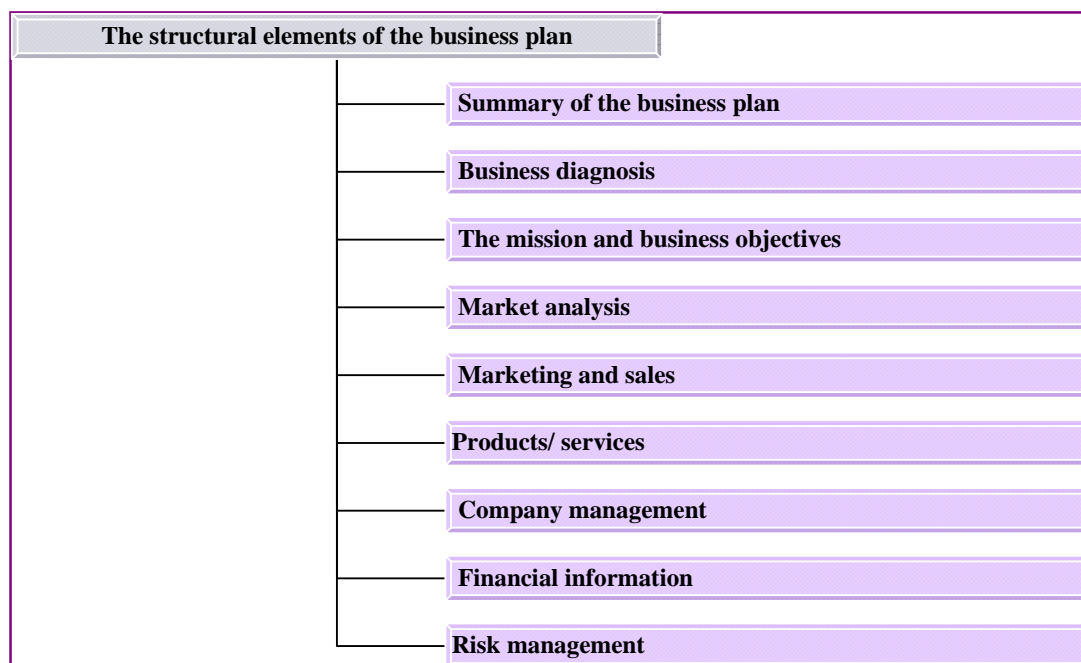


Fig. 1. The structural elements of the business plan

1. The summary of the business plan. The summary should not be just a listing of the contents of the business plan, but should highlight the main issues presented in its drafting stages.

2. Business diagnosis is a method of diagnosis and ensure the investigation of the firm and its procedural and structural components with a specific tools to identify key strengths and weaknesses and make recommendations to support the maintenance/ development of the business. We can associate the diagnosis with other management

methods (SWOT analysis) or can be integrated into management systems (MBO, management by budgets).

3. The mission and business objectives.

The mission is the management concept regarding the profile, the major direction in which the firm coming to evolve on long term (what intends to do and become) specified by: the products or services it intends to achieve and groups of customers and their specific needs that intends to satisfy.

The objectives represents are synthetic statements expressed quantitatively about what the company aims to achieve within a certain time frame. In other words, the objectives are the means by which the mission of the firm turns into expected results whose level determines the mission achievement.

4. Market analysis. Understanding the sector in which the company operates is essential for the success of any business. Market analysis should be treated from several perspectives, such as the description of the target market, marketing test results, identifying competition, legislative restrictions.

5. Marketing and sales. Marketing involves the realization of the fact that a company must develop its role on the market - how the customer reacts to products, what kind of customer buys the products, how competition affects the firm's sales, how this must be made known himself, and promote their products.

6. Products/services. All successful companies have the tendencies to put an special accent on developing new products, in the idea of replacing declining sales due to decline products and increase overall sales.

7. Company management can be defined as a set of methods and processes of organizational goal setting, resource allocation, training and control belonging to the company. Environmental pressure (internal or external) on the company is intense and is manifested by key variables that may be: globalization, technological process, regulatory, political movements, cultural and value systems, economic problems, demographic, tendencies, environmental problems.

8. Financial information. The financial plan is the least flexible part of the business plan. It is indicated that be draw more financial scenarios, due to the fact that the financial projections are in a largely unreliable: a projection based on the most likely working hypothesis and a projection based on the use of the full potential of the business.

9. Risk management is an important aspect of business management.

It is important to present both the positive aspects of the business, but also negative ones because it will give credibility to the business plan and in addition will help the entrepreneur to realize and make the necessary efforts to avoid them.

The risks that may affect a company are physical and financial. The physical ones influence the accuracy of the estimate sales, the requirements regarding the technology and material resources needed. From the financial risk category the inflation is one that has the most impact on the financial viability of the company, it influences the amount of fixed assets, working capital, production costs and revenue from sales.

Depending on the complexity of the problems addressed, by the specific of the project and information needs they are know the following business plans:

- **Summary plan** - contains between 10 to 20 pages and is used for companies that are at the beginning of their activity
- **Complete plan** - contains a number of 20-50 pages and is used especially when the necessary amount financed is consistent
- **Detailed plan** - contains a minimum of 50 pages and represents the most complex level of the presentation of a business plan"

The business plan should be realistic, reliable, credible, ambitious and contains technical, economic and financial indicators that can be achieved in the medium and long term. From the clear establishment of strategic objectives and indicators should emerge solutions and practical measures that ensure the achievement of goals. It is based on a strategic concept, that ensures the company or firm increasing the power competition and maximizing profit. In developing of this work must be involved the entire management team. The quality of the business paln depends on the quality of vision and by the effort for the success.

Therefore, a successful business plan is the one that accepts some changes while is drawn up. This can be written once and for all, but must be constantly improved. This aspect is important because the market is constantly evolving and changing and the company can hit different unexpected problems or conversely, beneficial aspects changing business parameters. Once started the process, an entrepreneur must constantly ask questions about business developments and analyze the data held.

CONCLUSIONS

Preparing a business plan is the most important step in building a successful business. The business plan is a phrase that should not be missing from the vocabulary of a successful entrepreneur.

In conclusion, the business plan must be clear, well structured and provide an overview of our business. Without it, we would be more difficult to visualize the growth potential of the business.

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