**10 SURPRISING THINGS EVERY BUSINESS PLAN SHOULD INCLUDE:**



It may be tempting to dive right in when you have a great startup idea, but failing to create a detailed business plan is where many entrepreneurs go wrong.

A solid business plan can be the difference between just an idea and a successful business. It allows you to set goals and determine how to realistically measure them. In the process of creating one, you develop an understanding of your market and the competition that is based on facts, not just hopes.

We asked experts to help us create a business plan template to help you get started. Here are 10 unexpected items every business plan should have.

**A review of the competition**

If companies focus only on themselves in their business plan, they are making a big mistake. Businesses should use their business plan partly to address the competition and how their idea differs from what's already out there, said Steve Martorelli, CEO of [Turnkey Processing](http://www.processwithturnkey.com/), a payment processing provider.

"First, identify your X factor — what can you do 10 times better than your competition?" Martorelli said. "Next, test your hypothesis by talking to potential customers. Do they value what you are proposing to offer them as much as you think they do? Finding the answer to these two questions is the most important planning anyone can do."

**Innovation**

Companies that value innovation must make it a priority from the start. Your business plan should highlight the ways in which your startup will be original and groundbreaking, said Amy Hutchens, business strategist and CEO of [AmyK International](http://www.amyk.com/amyk/), which specializes in executive development.

"Innovation must be a critical component of every business plan," Hutchens said. "By making innovation part of the plan, the process becomes intentional, not reactive or accidental, and sets the stage for a culture of creativity and innovation for the long run."

**A contingency plan**

It is highly unlikely that everything about your business will go according to plan. Justin Palmer, founder and president of [HomeLife Media](http://homelifemedia.com/), which operates pet-focused websites, said entrepreneurs should have a "contingency plan" that allows them to make any necessary business-model changes should something not go as anticipated.

"An example of a contingency might be, 'If we do not have 1,000 paying customers within six months of operations, we need to shift product focus,'" Palmer said. "A metric such as this is especially vital if your business operates on the Web or builds software. A business plan is great, but there's no point in sticking with a failing plan for too long."

**Preparation for success**

On the other hand, businesses also should prepare for unexpected success. Your business plan should account for normal scenarios as well as highly successful, best-case scenarios, said Elle Kaplan, CEO of [LexION Capital Management](http://www.lexioncapital.com/).

"When I started my business, I was in no way prepared for the success and level of growth we obtained," Kaplan said. "I should have planned bigger and prepared for faster growth versus being surprised and having to rework my plan."

**Psychographics**

A typical business plan will discuss a company's target market, usually in terms of demographic information such as age, gender and income level. However, businesses should consider looking even further to define their target customers by factors such as lifestyle, needs and desires, said Amber Goodenough, co-founder of [fourfour media](http://fourfourmedia.com/), a Web design and development company.

**"**Psychographics ― customer values, lifestyles, habits and interests ― give you a deeper insight into your customers' needs, wants and frustrations, which then helps you create products and services that really meet those needs and solve their problems," Goodenough said. "The better you do that, the more money you make."

**A social media strategy**

As [social media](http://www.businessnewsdaily.com/7832-social-media-for-business.html) remains a dominant force in marketing and customer engagement, a business plan needs to highlight how the company will use social media to its strategic advantage, said Stephanie Ciccarelli, co-founder and chief brand officer at [Voices.com](http://www.voices.com/), an online marketplace that connects businesses with voice-over talent.

"No business plan should be without a section dedicated to the use of [social media] as part of their marketing efforts and channel for supporting and engaging customers," Ciccarelli said. "These efforts may also tap into a company's advertising, search engine optimization and customer service efforts."

**Employee engagement tactics**

If your business is going to have employees, you'll want to spell out how you're going to keep them engaged and focused on their responsibilities, said Bill Rosenthal, CEO of [Communispond](http://www.communispond.com/), a provider of employee skills training. "The plan must include ways to show employees [that] their well-being aligns with that of the company," Rosenthal said. "Establish metrics for everyone's performance, and spell out the rewards for meeting the metrics."

**An exit plan**

Although it may be the last thing on your mind when starting a business, providing an exit strategy with your business plan can be a great help if you decide to sell the business later on. A well-researched exit strategy can also help you land investors, said Mike Scanlin, a venture capitalist and CEO of [Born To Sell](https://www.borntosell.com/).

"As an early-stage company, you need to show investors a path to 10 times their investment," Scanlin said. "Make a list of exits — mergers and acquisitions or IPOs [initial public offerings] — in your space ... to help convince [investors] that if they invest in you, there are plenty of people who will want to buy you in three to seven years."

**A way to implement the plan**

One of the key challenges for businesses is actually implementing their plan, said Linda Pophal, author of "[The Complete Idiot's Guide to Strategic Planning](http://www.amazon.com/Complete-Idiots-Strategic-Planning-Guides/dp/1615640592?tag=businessnewsdaily-20)" (Penguin, 2011). All business plans should include a guide to implementing the plan's ideas, she said.

"Often, by the time the planning process is over, the team is exhausted and burned out, and they have a tendency to just go back to doing things the way they've always done them," said Pophal, who also serves as CEO of her company, [Strategic Communications](http://www.stratcommunications.com/home).

**A commitment to follow the plan**

Working out a detailed business plan won't do much good if you and your employees don't stick to it, so companies and employees should be committed to following the points included in a business plan, said Bob Shirilla, co-founder of online retail stores [Keepsakes Etc](http://www.keepsakes-etc.com/). and [Simply Bags](http://www.simply-bags.com/).

"The business plan should include a signed commitment by the leadership team," Shirilla said. "This ensures that the leaders understand and will support the business plan. Consensus decision making is key to moving a company forward. Many organizations fail to achieve their goals because of a lack of understanding and buy-in to the plan."