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Alison J. Paster

Art Institute of Philadelphia, apaster@aii.edu

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Book Review

Effective Business Planning: A Structured Approach: A Guide for Entrepreneurs

Alison J. Paster

Michele K. Masterfano, *Effective Business Planning: A Structured Approach: A Guide for Entrepreneurs*, Kendall Hunt Publishing, 2010, 104 pages.

Effective Business Planning: A Structured Approach: A Guide for Entrepreneurs is an easy-to-follow book and learning tool that provides detailed and informative guidelines for writing a business plan. For the entrepreneur who is attempting to write a business plan for the first time or the business student who would like to gain insights into the process of writing a business plan, this book is the answer. The author, Michele Masterfano, has information included in this book that provides the answers to questions about the format and design for the creation of a successful business plan and the details on creating a plan specific to meet individual needs. Masterfano's writing portrays the business plan as a living document that can be considered a guide in decision making, resource allocation, and recognition of opportunities. The reader can use this book as a reference in current and future business plan writing as well as adjustments and allocations to maintain competitiveness of a business in the marketplace.

The book is designed as a four-part method of business plan preparation. Part 1 explains how the business plan is written and planned in its design. This process begins with the organization of ideas, a table of contents, and the understanding of the target audience that will be reading the plan. Masterfano explains in detail how to prepare a plan to capture the attention of the specific individuals who will be reviewing the business plan.

Chapter 1 explores the reasons behind developing the business plan and allows the reader to learn key insights into thinking about the dynamics of the marketplace and important decisions on how to maximize competitiveness. Business planning will be the guiding force behind decision making, resource allocation, and priorities. A critical factor of the business plan is to raise financing and capital from a bank or investors. Creating an effective business plan is the driver behind the selling influence of this document. Business plans are categorized by the author as a selling, living, workable

document that will be adjusted and utilized for planning purposes. Masterfano focuses specifically on the audience of the business plan as a major consideration in creating the plan to have pinpointed relevant information that will appeal to a specific audience.

Part 2 begins with the preparations needed to plan for writing the business plan. Analyzing the feasibility of the business concept and researching a full feasibility study before embarking on the writing of the plan is the first step in creating a successful plan. In addition, organizational and financial feasibility are considerations that Masterfano explores in detail. Primary and secondary research methods are reviewed and insights are provided on the process of developing an understanding of how to use and analyze this research. An explanation of how to perform primary research in conducting surveys and interviews, and research methods in gaining a thorough understanding of the target market of the business is explained as a tool to generate a successful business plan.

Masterfano provides a checklist of key points to understand fast-paced opportunities in the business world by producing a business plan that will be marketable and feasible. Suggestions on the development of business name creation and the decision-making process to follow are given in detail. Legal forms of ownership, start-up forms and government registration guidelines are covered with detailed explanations of types of ownership. Comparisons of sole proprietorship, general partnership limited partnership, Limited Liability Corporation, and S corporations are explained to help the entrepreneur make the decision as to the best type of format to choose based on the business.

Essentials of writing the business plan are covered in Part 3 of the book. Masterfano begins by reviewing points from previous chapters in developing an understanding of the target audience for the development of the business plan. The book focuses on the audience of the business plan: employees, financing companies, or investors. A detailed framework for creating a business plan with use of the target market and explanations is provided in an easily understandable format. Sections are formatted to provide explanations on each aspect of the plan, with detailed instructions on how to create that section of the plan. The sections reviewed in detail

include cover sheets, table of contents, executive summary preparation, and introduction to the order of materials.

Continued emphasis is placed by the author on the marketability of the plan as well as creating a marketing plan for the business with strategy and positioning for the product or service. An analysis of how to remain competitive against other businesses is provided to give the reader insights for future business decisions. Pricing strategies are discussed in detail, with direction on the decision-making process in developing an accurate pricing model for the business. Masterfano covers a marketing action plan with advertising strategies, media planning, budget considerations, press releases, and use of Internet and social media in conjunction with promotional activities to develop a business to maximum potential.

In chapter 6 Masterfano provides an analysis of product development and the design process of the business plan. Considerations in product prototypes, manufacture, outsourcing, and a review of technology needs and material and components is included in the business plan. Areas of analysis include intellectual property rights, operations, productions and logistics faculties, equipment, and customer services strategies.

Chapter 7 reviews the importance of a strong management team and the requirements of this team for developing the business. Details are provided on how to include the management team in the business plan. An overview is given on the process of developing a board of directors, board of advisors, and key hires to assist the business with strategic issues and oversee the management of the firm. Management staff and the boards will be highlighted in the business plan

to provide information on the technical expertise that will be needed if the business grows.

Chapter 8 offers detailed instruction on preparing financial projections and plans to create the optimum use of funds for a business. Sample financial statements and easy-to-understand guidelines are provided for the creation of pro-forma financial statements, which include a profit and loss statement, balance sheets, and cash flow statements. Data is clearly summarized and concisely formatted in a description of how to develop a full understanding of how these financial statements work together.

Part 4, the final section, is the overview of how to present and pitch the business plan for maximum interest. Masterfano breaks down the types of presentations based on the audience and offers presentation guidelines, question anticipation examples, slide design suggestions and resources on creating PowerPoint presentations that will highlight the key aspects of the business plan.

Effective Business Planning: A Structured Approach is a comprehensive easy-to-use and understandable book summarizing concisely the preparation of a business plan. The author has provided the ability to tailor this book for any type of business plan and reviews the importance of the audience and customer in creating the business plan to be successful in the business environment. I would highly recommend this book to students in business courses to develop an easy understanding of how to create a business plan. Entrepreneurs will benefit from this book in using it as a guide in creating an effective business plan. This is a "must have" for any entrepreneur starting a business or student in a business-related major.



About the Author



ALISON J. PASTER (apaster@aii.edu) is the Academic Director for Fashion Marketing and Visual Merchandising at the Art Institute of Philadelphia.