Nurse practitioners (NPs) with an entrepreneurial spirit may wish to establish an innovative and creative business endeavor. The foundation for an entrepreneurial business enterprise can be initiated with the development of a sound business plan.

A business plan is a document that creates a sense of excitement and vision for your business enterprise while ensuring future investors and stakeholders that the proposal has potential for success and survival within the respective industry. An effective business plan should be a dynamic and evolving document that supports the generative and strategic long-range plans of the proposed business entity. The common reasons for writing a business plan are to convince investors and stakeholders of the potential for your entrepreneurial idea, secure financing, obtain contracts within the industry, attract partnerships, recruit and retain employees, propose an organizational structure and initial strategic initiatives, and provide a mission and vision for your initial entrepreneurial leadership team. The business plan should serve as the planning map that guides the development of the enterprise.

**BUSINESS PLAN FAILURES**

A business plan alone does not ensure success of the business. Some common reasons for failure of the business plan and the business idea are lack of vision, insufficient skills to execute the business plan, lack of available resources, solely for monetary purposes, poor understanding of the industry and market dynamics, and lack of commitment to the plan.

**ELEMENTS OF A SUCCESSFUL BUSINESS PLAN**

A successful business plan outlines in 20 to 40 pages an entire business venture proposal. The business plan introduces the essential business concepts, describes the company, analyzes the market, proposes a business product, and outlines financial plans for the business. The business plan should be tailored to the target audience. In addition, the tone of the business plan should be congruent with its purpose, depending on whether the plan is a new entrepreneurial enterprise, a growth or expansion plan, or a feasibility plan. The tone of the plan differs if it is an internal or external business plan for an existing business entity.

The six basic considerations of a successful business plan are sufficient knowledge and skills, visionary leadership, team involvement, provision of incentives to execute the plan, alignment of incentives with the plan purpose and mission, and adequate resources.

Here are the basic components of a business plan:

- **Cover page**—provides the company name, address, and contact information;
- **Executive summary**—approximately 2 pages that provide an overview and summary of the entire business proposal;
- **Table of contents**—provides a detailed titling and numbering of all sections of the proposal;
• Entrepreneurial business entity—describes the proposed business venture, product, service, or goods. Presents the mission, vision, and core values of the business entity. If there is an existing company, the historical perspective and current situation of the company is presented;
• Administrative team—provides the proposed organizational chart; defines administrative structure, roles, and responsibilities; and presents a brief descriptive the administrative team’s credentials, experience, and skills;
• Market analysis—provides a description and analysis of the industry, identifies competitors, analyzes proposed business enterprises’ placement within the existing industry, estimates product pricing, outlines a cost analysis to produce or deliver the proposed business (including any research and development cost), describes the current capital and required capital outlay, describes the distribution channels, and presents a marketing strategy and plan;
• Situational analysis—analyzes strengths, weaknesses, opportunities, and threats (SWOT) of the proposed business within the existing industry or of the existing company;
• Organizational plan—outlines the management philosophy, reiterates the mission, vision, goals, and objectives of the business plan proposal, presents the legal structure of the company, describes the type of corporate entity (proprietorship, partnership, limited liability corporation, corporation), and describes the employee benefit plans and packages, business insurance plans, accreditation plans, regulatory and operational requirements and plans;
• Financial plan—presents a breakeven analysis from the initial start-up period into the first 5 years; presents financial forecast, outlines detailed budget for the first year and summative budget projects for the next 4 years. Financial expenditures and growth projects are carefully presented in the breakeven analysis; and
• Appendixes—include supporting documents to the narrative text of the business plan proposal.

SUMMARY
Nurse practitioners have the ability to develop entrepreneurial health care enterprises. A business plan provides a structured proposal to assist the business-savvy nurse practitioner with an exciting, defendable, and comprehensive document to secure support and financial support.

References