**Why Entrepreneurs Shouldn’t Write Business Plans**

Careful academic research on the business start-up process reveals that many entrepreneurs never write a business plan.

These studies also show that writing a business plan helps entrepreneurs in a number of ways, including improving their odds of successfully developing a new product, organizing a company, accessing external capital, obtaining raw materials, generating sales and surviving over time. Regardless of what measure of performance academics have looked at, research shows that writing a business plan has a positive impact.

I am not a fan of writing business plans! I have started a fair amount of companies and have never written a business plan. Now you could say that is the reason why a lot of my businesses failed, but I could make the argument that financially I’ve still came ahead.

Here is why I think you shouldn’t write a business plan:

**Business plans ≠ Funding**

If you are trying to raise money, you’re probably considering writing a business plan, right? Well I hate to be the bearer of bad news, but I don’t know anyone who has raised money from writing a business plan.

Roughly 30 of my close friends have taken some sort of venture capital or private equity financing. And none of them raised that money by writing a business plan.

Most of them did make a power point presentation and a few even wrote executive summaries, but they didn’t write business plans.

Remember, most investors don’t want to invest in a “plan” they want to invest in a business that is up and running. You don’t have to be making money, but they want to see something more than just a piece of paper.

And if a potential investor happens to request a business plan from you, ask them if they are actually going to take the time to carefully read through it. The chances are, they won’t even skim it.

**You can’t predict the future**

You can try and plan for the future, but your plan will never account for everything. Things change, so why would you waste your time writing a document that won’t be up-to-date.

Or if you want to take it to the next level, why would you start writing a plan that will never be complete? Your business will constantly evolve and change, and if you want your business plan to stay up-to-date, you’ll constantly have to modify it.

Once you start your company, you’ll soon realize that a lot of decisions will have to be made on the fly and that you are going to have to rely on your intuition. There is no a written document can help you with any of this.

**Time is money**

According to the U.S. Small Business Administration over 50% of small businesses fail in the first 5 years because of lack of capital and lack of entrepreneurial experience.

As I mentioned above, writing a plan isn’t going to help you get capital. And if you are looking to gain experience, you are better off spending time working on your business than writing a plan.

The biggest reason I never wrote a business plan is that it takes my time away from the business. I am a doer and spending weeks on something that has no proof on impacting the success of my company is a waste of time.

If you have somewhat of an understanding of what you are going to do and where you plan on taking your business, you should spend all of your time acting on it. Writing a plan will just slow you down from succeeding.

**The businesses world has changed**

For a moment, think about all of the things that have changed in the past year. A lot has changed, right?

And now, take a moment and think about all of the things that have changed in the past ten years. So many things have probably changed that you take a lot of them for granted.

Technology is constantly evolving and the way you go about operating your business isn’t the same as it used to be. But the problem with business plans is that they haven’t evolved with the business world. So why would you spend time on something that is old and out-dated?

**Conclusion**

If you think having a business plan is going to increase your odds of success, it won’t. There are no stats proving that writing a business plan is going to help you succeed… so do yourself a favour and save your time.

And on a closing note, I would like to leave you with a few words from Steve Rappaport.

Many successful businesses today would not withstand academic scrutiny. A perfect example is the company Red Bull. There are so many holes in the plan without the 20/20 hindsight. I can imagine what would have been the comments — didn’t we do this in the 80’s as “jolt cola” or “entrenched drink competitors will crush you if it ever becomes popular.” I think a plan is good, but serendipity and opening the business up for opportunities can be even better. In other words, diverting from the plan. Red Bull’s initial aim was a drink for long-haul truck drivers.

Do you think it’s worth creating a business plan?