

When Should I Review My Business Plan?

A business plan is often the cornerstone of a company's launch. Entrepreneurs invest countless hours crafting these detailed documents to secure funding, establish direction, and define goals. Yet, far too often, that painstakingly prepared plan ends up forgotten, tucked away on a shelf or in a drawer. However, a business plan should be a living document, regularly revisited and updated to guide your business through changes and challenges.

So, when should you review your business plan? Here's what you need to know.

At Least Annually: The Bare Minimum:

Every business owner should review their business plan at least once a year. Leading publications like *Entrepreneur*, *Forbes*, and *Inc.* advocate for an annual update to ensure your plan reflects the current state of your business, industry trends, and future goals.

An annual review allows you to assess progress, identify emerging opportunities, and address challenges. It's a chance to realign your strategies and tactics with your overarching vision. Think of it as your business's annual physical exam—essential for long-term health and success.

Monthly: Staying on Track:

For even greater effectiveness, consider reviewing your business plan monthly. This proactive approach can help you ensure your company remains aligned with its objectives while allowing for timely adjustments.

For example, during my time growing a large business, we committed to monthly reviews of our business plan. Each department revisited the plan, assessed performance against goals, and adjusted strategies as needed. The results were remarkable—every department consistently exceeded expectations. The key was maintaining alignment and focus through regular check-ins.

Every Quarter: Staying Agile:

Some companies, like Apple, take an even more dynamic approach by updating their plans quarterly. This allows them to adapt quickly to shifts in market trends, technological advancements, customer behavior, and regulatory changes. A 90-day review cycle ensures your business remains agile, giving you the flexibility to seize opportunities and mitigate risks as they arise. FYI Apple has a business plan department, and they are working 3 years out.

When Major Changes Happen:

Beyond scheduled reviews, certain events warrant an immediate update to your business plan. These might include:

- **Shifts in the marketplace:** New competitors, regulatory changes, or disruptive innovations.
- **Company growth:** Adding new products, services, or locations.

- **Financial changes:** Securing new funding, significant revenue fluctuations, or altering your pricing strategy.
- **Ownership or management changes:** Bringing in new partners or key team members.

Your business plan must reflect the current landscape and internal dynamics. By staying up to date, you can ensure that your plan remains relevant and actionable.

Why Regular Updates Matter:

A current business plan offers numerous benefits, including:

1. **Clear alignment among stakeholders:** If your company has multiple owners or partners, regular updates help ensure everyone shares the same vision and priorities.
2. **New opportunities and threats identified:** Revisiting your plan regularly allows you to spot emerging competitors, potential collaborators, or untapped customer segments.
3. **Goal evolution:** As your business grows, your objectives will change. Your plan should evolve to reflect these shifts, providing clear and measurable targets.
4. **Improved profitability:** Consistent reviews keep you focused on financial performance, helping to identify cost-saving measures or revenue-boosting opportunities.

Think of your business plan as a GPS for your business. The route you mapped out when you launched may no longer be the best way forward. Regular updates ensure you're always navigating the most efficient and effective path.

Involve Your Team:

In the early days of your business, you likely prepared your plan alone. But as your team grows, their involvement becomes crucial. Engaging your staff in the review and update process fosters buy-in, alignment, and accountability. When your team has a hand in shaping the plan, they're more likely to embrace its implementation and contribute to its success.

If you don't have a team, get with some fellow business owners to bounce ideas off them and receive feedback, input, and resources.

Making It a Habit:

To keep your business plan alive and relevant:

- Set a recurring date for your reviews—annually, quarterly, or monthly.
- Identify key metrics to evaluate progress and success.
- Involve your leadership team and other relevant stakeholders.
- Be honest about what's working and what isn't.

By making plan reviews a regular practice, you can keep your business aligned with your goals and better prepared for the future.

Dust It Off and Dive In:

If your business plan has been sitting idle, it's time to dust it off. Pull it out, review it, and update it to meet the current and future needs of your business. Whether you conduct annual reviews, quarterly updates, or monthly check-ins, the important thing is to make it a habit. A living, evolving business plan is one of the most powerful tools you must ensure your company's continued growth and success.