

Entrepreneurs who write a business plan are 16% more likely to succeed

Submitted by: BlueSky Public Relations Ltd

Tuesday, 1 August 2017

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Entrepreneurs who write formal start-up business plans are 16% more likely to be successful, new research from University of Edinburgh Business School (<https://www.business-school.ed.ac.uk/>) and RWTH Aachen University reveals.

Edinburgh's Professor Francis Greene and Aachen's Christian Hopp studied the characteristics of over 1,000 entrepreneurs and their start-ups over a six year period.

The findings suggest that it pays to plan, and that planning is more beneficial when the challenges are greatest. High-growth oriented entrepreneurs are 7% more likely to plan, and those with innovative, disruptive ideas are 4% more inclined to plan than their peers.

Entrepreneurs seeking external finance are also 19% more likely to commit their vision to paper.

"Writing a plan can make all the difference when it comes to making a start-up profitable," says Greene. "In some entrepreneurship circles, it is fashionable to act, improvise, and pivot than to waste time on a plan that won't survive first contact with the customer, but a plan helps detail the opportunity to be seized, what success looks like, and what resources are needed.

"Plans are vital for fundraising because it builds legitimacy and confidence among potential investors. It reassures staff, suppliers, customers, and other key stakeholders. If an entrepreneur wants to raise money and grow quickly, they'll want to write a plan."

These findings were recently published in the Strategic Entrepreneurship Journal.

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For more information, a copy of the study, or to speak to Professor Francis Greene, please contact Stephanie Mullins at BlueSky PR on smullins@bluesky-pr.com or call +44 (0)1582 790 706.