



BUSINESS PLAN AS A BASIS FOR THE SUCCESSFUL INVESTMENT MANAGEMENT

Viktoriya BONDARENKO, Olesia DIUGOWANETS, Oksana KUREI

Abstract

The developed business plan serves as a basis for the effective investment management and the key to successful implementation of the business idea. This thesis is confirmed by the formed substantiated advantages of the need to develop a business plan by an entrepreneur. To validate these statements several goals were set to achieve in the paper namely: forming the argumentative advantages of the necessity to create a business plan for the entrepreneur; comparing the content of a business plan and its structure in different authorial approaches; systematizing the business planning software; developing recommendations for overcoming barriers for business planning. The main method to obtain the final aim of the study is the comparative analysis. Grouping, tabular presentation of data and abstract-logical method were among other approaches used in the research. The essence and structure of the business plan as the basis for the successful investment process are thoroughly analyzed in the article. Management situations in which the necessity to develop a business plan are systematically identified; foreign and Ukrainian methodological approaches to the structure of the business plan, their common features and differences are also analyzed. Particular attention is paid to defining the essence of the startup's business plan. The software technically simplifying calculations and allowing to create different business models for implementing business ideas in the process of developing business plans is recommended for use. The conclusions of the study reveal the main basic difference between the startup's business plan and the typical structure of the business plan. Several difficulties for entrepreneurs who find it complex to develop plans themselves are also identified. The practice of business planning in Ukraine has shown a few shortcomings that persuade entrepreneurs to abandon the business plan creation. The directions of these shortcomings' elimination are also recognized as the conclusions of the paper.

Keywords: business plan, investment, startup, business idea, entrepreneur

BIZNESPLAN PODSTAWĄ POMYŚLNEJ INWESTYCJI ZARZĄDZANIA

Abstract

Opracowany biznesplan jest podstawą efektywnego zarządzania inwestycją i kluczem do pomysłu na realizację pomysłu na biznes. Tezę tę potwierdzają ukształtowane, uzasadnione zalety konieczności opracowania biznesplanu przez przedsiębiorcę. Aby zweryfikować te stwierdzenia, w artykule postawiono kilka celów, a mianowicie: sformułowanie argumentacyjnych zalet konieczności stworzenia biznesplanu dla przedsiębiorcy; porównanie treści biznesplanu i jego struktury w różnych podejściach autorskich; systematyzowanie oprogramowania do planowania biznesowego; opracowywanie zaleceń dotyczących pokonywania barier w planowaniu biznesowym. Podstawową metodą uzyskania ostatecznego celu pracy jest analiza porównawcza. W badaniach zastosowano m.in. grupowanie, tabelaryczną prezentację danych oraz metodę abstrakcyjno-logiczną. W artykule szczegółowo przeanalizowano istotę i strukturę biznesplanu jako podstawy udanego procesu inwestycyjnego. Sytuacje zarządcze, w których konieczność opracowania biznesplanu jest systematycznie identyfikowana; Analizowane są także zagraniczne i ukraińskie podejścia metodologiczne do struktury biznesplanu, ich cechy wspólne i różnice. Szczególną uwagę przywiązuje się do zdefiniowania istoty biznesplanu startupu. Zalecane jest oprogramowanie upraszczające technicznie obliczenia i umożliwiające tworzenie różnych modeli biznesowych do wdrażania pomysłów biznesowych w procesie tworzenia biznesplanów. Wnioski z badania ujawniają główną zasadniczą różnicę między biznesplanem startupu a typową strukturą biznesplanu. Zidentyfikowano również kilka trudności dla przedsiębiorców, którym trudno jest samodzielnie opracować plany. Praktyka planowania biznesowego na Ukrainie ujawnia kilka niedociągnięć, które skłaniają przedsiębiorców do rezygnacji z tworzenia biznesplanu. Kierunki eliminacji tych niedociągnięć są również uznawane za wnioski artykułu.

Słowa kluczowe: biznesplan, inwestycja, startup, pomysł na biznes, przedsiębiorca

JEL Classification: M10, M13, M21

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1. Introduction.

While doing business, every business owner is always trying to increase the chances of success by 100%. One of the tools is a business plan, i.e. a detailed step by step instruction for implementing a business idea, as well as calculating its success or failure, its financial results, and risks. It is at the stage of constructing a business plan that it is possible to identify and correct the shortcomings of the business idea, to revise on paper, not in reality, the unfinished mechanisms of the business implementation.

However, these are not the only arguments in favor of business planning. In the conditions of the innovative economy development and the growing role of the high-tech business there is a necessity of the prompt problem solving and a constant expansion of the investment resources attraction. And it is a business project that allows to attract different types of investors and get the necessary funds.

Given the problems of the study, the aim of the article is a systematic study of the categorial apparatus, methodological and software providing of the business planning process as a basis for the effective investment management. To achieve this aim, the following goals were set: (1) to form the argumentative advantages of the need to form a business plan for the entrepreneur as a tool for the future business ideas success; (2) to compare the content of a business plan in Ukrainian and foreign authorial approaches; (3) to analyze systematically Ukrainian and foreign theoretical and practical approaches to the formation of the business plan structure, to identify common features and differences between them; (4) to systematize the business planning software by criteria of functionality, cost, additional parameters; (5) to develop recommendations for overcoming barriers for business planning of Ukrainian entrepreneurs.

2. Literature review.

Researchers such as Berry, T., Landau, C., & Parsons, N. (2020), Brouster, G.L. (2019), Brinckmann, J., Grichnik, D., & Kapsa, D. (2010), Kenton, W. (2020), Kvasha, O.S., & Fomina, V.V. (2017), Lavriv, L.A. (2013), Schwetje, G., Vaseghi, S., & Gentilozzi, J. (2011) explore the essence, principles, theoretical approaches, and structure of business plans. Burke, A., Fraser, S., & Greene, F. J. (2010), Greene, F. J., & Hopp C. (2017) pay specific attention to the business planning by start-ups and venture firms. Ding, E., & Hursey, T. (2010), Writer, B.S. (2020) analyze the effectiveness of business planning using software tools. However, in the conditions of the information oversaturation of the business space, different methodological approaches to the structure of the business plan and the practical lack of scientifically systematic publications on the topic of the affective and comprehensive business planning there exist a need for the systematic research of the business planning, the definition of its essence, a reasoned research of the Ukrainian and foreign methods and for the development of the recommendations that can simplify the business planning process for the entrepreneur who will form it independently.

3. Methods.

To achieve the purpose and objectives of the article, the following research methods were used: the method of comparison, grouping, tabular presentation of data, abstract-logical method for the conclusions formulating.

4. Results and Discussion

With the development of an innovative economy and the growing role of high-tech business the necessity to address the problem of attracting investment resources occurs, despite the growing and sufficient number of stakeholders in promising projects. In this case a number of requirements and controversial issues that arise in the process of implementing a business project and lead to many complications could be effectively leveled with a well-designed and structured business plan of a start-up or an investment project as a success factor to obtain adequate funding.

According to world practice a prerequisite for the success of starting a business from scratch or further development of an existing company is the creating of a realistic business plan that allows you to specify both the essence and purpose of the project and the amount of investment required. A business plan is a written document that describes the past and future of your business idea, and usually shows the prospects for the next 3-4 years. This is the basis of financing your business by an investor, so the information in this document should be as complete, accurate, economical, and structured as possible.

Research has shown that other things being equal, writing a business plan and implementing it contributes to the success of the company and the idea. There is evidence that 16% more companies are successful in starting a business if they act according to a written business plan. In addition, fast-growing start-up entrepreneurs are 7% more likely to plan than other start-ups. Research also shows that companies in search of investment resources are 19% more likely to set out their goals on paper, i.e. create a business plan than other companies (Greene, & Hopp, 2017), because such a document gives a better chance of success to obtain funding (Ding, & Hursey, 2010). Another study, analysing the development of 11046 companies, argues that business planning is more conducive to the growth of existing companies than start-ups. Researchers attribute these results primarily to the fact that existing companies have more information about their customers, and therefore they have the opportunity to plan their future activities on a more realistic basis (Brinckmann et al., 2010). The business plan can provide companies with 30% faster growth compared to firms that do not plan (Burke et al., 2010).

Given such results, it is worth considering the main facts that justify the development of a business plan:

1. An integrated vision of your business development. When developing a business plan, it is necessary to know the answers to all questions, all situations that may arise during the implementation of the business idea. And this is only a small part of the benefits that can be obtained from the formation of such a document. Among others: you know your

target audience, market and trends in your niche, competitors (with all their competitive advantages and weaknesses) and, finally, you receive the opportunity to shape your key success factors in the niche. However, the most important thing is that due to the business plan you have an agreed timely action plan that ensures effective management of your business and corresponding behaviour in problematic situations on your way to implementing a business idea.

2. Simultaneous understanding of the business idea implementation by the team. This mutual understanding becomes especially easy when the development of a business plan is carried out with the maximum involvement of company managers. In addition, having such a document makes it easier for you to get approval of the business development strategy from the board of directors, shareholders, and other beneficiaries.
3. Measurement of required resources. The business plan provides an accurate answer to the question of the business' resource needs, i.e. the amount of funds, sources of funding, human, material resources with a precise delineation in time of these needs.
4. Forecast of the risks and viability of your business idea development strategy. The main advantage of the document is that it forms the basis of the successful investment management, because without any financial enclosures it gives an accurate answer about profitability, prospects, gives the opportunity to invest information tools in the most profitable projects.

Regarding risks the business plan must assess all the risks that may be encountered in the process of implementing the business idea and provides the development of diversified measures to avoid or eliminate their effects.

Recipients of the business plan usually are investors, creditors, employees, board of directors/ shareholders, business partners.

Given the globalization and expansion of financial sources for investing in business projects, there is an objective need to review domestic and foreign experience on the requirements and structure of the business plan, as well as its role and importance in the business environment. Here are some definitions of "business planning".

"A business plan is a guide – a roadmap for your business that outlines goals and details how you plan to achieve those goals" (Berry et al., 2020).

"A business plan is a written document that describes in detail how a business – usually a new one – is going to achieve its goals. A business plan lays out a written plan from a marketing, financial and operational viewpoint" (Kenton, 2020).

"A business plan is also a road map that provides directions so a business can plan its future and helps it avoid bumps in the road. The time you spend making your business plan thorough

and accurate, and keeping it up to date, is an investment that pays big dividends in the long term” (Read, J. T. et al.).

Business plan is a reasoned document, the purpose of which is to convince the reader to invest money in a company or project. Thus, a well-thought-out business plan is designed to attract a potential investor or a future strategic partner.

Several important features of the successful business plan include:

- Clearly defined short- and long-term goals.
- Identified ways to achieve the selected goals in accordance with the realities of doing business in the established market conditions.
- The presence of a description on how the implementation of the business plan meets the needs and desires of the investors, attracting whom, in fact, the business plan is designed for (Schwetje et al., 2011).

A business plan must answer the following questions: who are you (legal structure, ownership, location, etc.)? what do you sell (product, service)? who do you sell to (customers)? how do you sell (distribution channels, marketing plan)? who is the competition? what is the roadmap (milestones, timetable)? how is it made (manufacturing process, suppliers, technology, etc.)? what are the funding requirements (amount, source of financing)? what is the expected return on investment (cash flow forecast)? (Brouster, 2019)

A business plan is a document which, in order to test a certain business idea, comprehensively describes the production, financial, marketing, organizational and other aspects of its implementation and justifies the feasibility of investing in a new business project (or in expanding an existing business) (Kak rozrabotat biznes-plan, 1996; Lavriv, 2013).

From the above definitions of “a business plan” it should be noted that foreign authors give accessible and clear wording of this term, and therefore, in our opinion, more accurately reflect the concept of business planning. Based on the systematization and integration of foreign and Ukrainian author’s approaches to the definition of the term, the following definition was formed: a business plan is a reasoned and structured document of your business goals, ways and resources to achieve them, to assess the effectiveness of investment and return on investment.

Superficial attitude and underestimation of the importance of business planning are the results of undervaluation of project risks, opportunities and development prospects, of the comprehensible idea of the implementation of all business plan stages, which ultimately leads to inefficient use of the invested resources. As a result, the main task of the business plan is to provide a holistic, systematic, and scientifically sound assessment of the project, because for different business actors it performs different functions:

- For the investor - as a tool for assessing the effectiveness of capital investment.
- For the entrepreneur – as an action program for project implementation.
- For state bodies – as a means of regulating and controlling relations in the relevant field (Biznes-plan innovatsiinoho proiektu, n.d.).

It is often thought (especially in a corporate environment) that creating a business plan in times of recession is not productive because the economic situation is changing too rapidly and dramatically, so taking such changes into such a capacious document will take time that the company does not have. However, there are arguments against this belief:

- The whole process of creating a “business plan project” is as valuable as the final „business plan documents”. The draft business plan encourages company managers to weigh options and update the goals of the plan, considering the conditions of the company and the factors that create these conditions. In addition, the information obtained during the preparation of the project can serve as a valuable source of assessment and control of current and future activities of the company.
- The business plan cannot be considered as a kind of “immutable code” that does not allow deviations from the original action plan during the implementation of the multi-year plan. However, as a control tool, the business plan should highlight such deviations and offer flexible ways to regularly update the factors influencing the company and the data that flow from them. This tool allows you to respond quickly to market and economic changes to effectively achieve the planned goals (Schwetje et al., 2011).

A problematic issue for entrepreneurs is the structure of this document. Since the circle of recipients of the business plan is diverse, the requirements for its structure differ. Within the framework of this scientific article, one of the goals was to systematize foreign and Ukrainian methods for the determining the structure of such a document; to clarify the fundamental difference between them and common approaches.

In world practice nowadays there is no single method of compiling a business plan, but all existing methods can be divided into three groups according to the specifics of the developer and the scale of the innovation-and-investment project (Shchekhlova, 2018):

- a) International (methods meeting existing international standards and requirements of international organizations).
- b) Governmental (methods of federal and regional public authorities, local governments).
- c) Corporate (methods formed considering the requirements of specific banks, investment, and financial corporations).

The mostly tested and widespread in common world practice is the use of the following international techniques:

- Methodology proposed by UNIDO (The United Nations Industrial Development Organization - UN Organization for Industrial Development) for developing countries. It reflects the interests of the entrepreneurs, which is fully consistent with the main purpose of the organization.
- Methodology of the European Bank for Reconstruction and Development (EBRD), which primarily protects the interests of creditors.
- TACIS (Technical Assistance to the Commonwealth of Independent States) methodology, developed by the European Union for the New Independent States, based primarily on UNIDO requirements.
- KPMG standards methodology (KPMG International Cooperative - Swiss Association), which provides assistance in organizing financing for specific investment projects and for comprehensive business development programs in general, as well as develops plans for the implementation of the most profitable ways of financing; etc.

The governmental methods of business planning unifying and facilitating the processes and procedures for the business plans developing include (Kvasha, & Fomina, 2017):

- Methodical recommendations on the development of investment projects business plans (State Agency of Ukraine for Investments and Development) – the domestic methodology of ensuring a unified approach to the development of business plans of investment projects by business entities.
- Guidelines for the business plans developing according to the standards of BFM Group (a Ukrainian investment project company) adapted to domestic methods). BFM Group works in the market of business planning, investment consulting, investment attractiveness assessment of enterprises, has the most extensive structure.
- Methodical recommendations on the development of business plans by MEDT - Ministry of Economic Development and Trade of Ukraine) – a generalizing world and domestic methodology including a methodical help to enterprises during drawing up of annual and long-term plans of their development on the basis of investments; etc.

The results of described methods systematization within different areas and objectives of business planning are presented in table 1.

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Viktoriya BONDARENKO, Olesia DIUGOWANETS, Oksana KUREI

Table 1. Systematization of the approaches to the structure of the business plan as a basis for investment

Structural parts	Author / Source of business plan methodology									
	Berry T. methodology	TACIS business planning methodology	International standard for business plan development of the EBRD	International standard for business plan development of the UNIDO	Methodical recommendations for the development of business plans for investment projects of the State Agency of Ukraine for Investment and Development	UNCTAD, How to Prepare Your Business Plan	Business Plan	KPMG methodology (KPMG International Cooperative	Guidelines for the business plans developing according to the standards of BFM Group	Methodical recommendations on the development of business plans by MEDT
Executive summary	√	√	√	√	√	√	√	√	√	√
Company description (general information)	√	√	√		√	√	√	√	√	√
Service or product line	√			√	√	√		√		
Marketing and sales. /competitors	√	√		√	√	√	√	√	√	√
Organization plan / Project and development plan	√			√	√		√		√	√
Human resources	√					√	√			
Financial plan /Finance/Investment plan	√	√	√	√	√	√	√	√	√	√
Production / Production plan		√		√	√				√	√
Risk factors and sensitivity assessment		√		√	√	√			√	√
Management and decision-making process		√						√		
Memorandum of Confidentiality			√		√			√	√	√
Project ¹			√							
Enclosures		√	√	√	√			√	√	√
Project effectiveness evaluation				√	√					√
General information about the investment project ²					√					√
Regulatory framework, environmental and social factors						√				
Market strategy							√			
Information on project support									√	

¹ Project investment plan. Market analysis, competitiveness. Description of the production process. Financial plan. Environmental assessment.

² Also includes compliance with the tasks and priorities set by the Program of Activities of the Cabinet of Ministers of Ukraine

Source: Berry et al., 2020; Metodychni rekomendatsii z rozrobky biznes-planiv investytsiinykh proektiv, 2010; How to prepare your business plan, 2003; Read, J. T., et al., n.d.; Metodychni rekomendatsii z rozroblennia biznes-planu pidpriemstv, 2006.

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Viktoriya BONDARENKO, Olesia DIUGOWANETS, Oksana KUREI

As can be seen from Table 1, some methodological approaches related to international funding are almost the same, but foreign (non-Ukrainian) are more practical, simple, and logical. This is because in Western scientific thought and in business practice there is a belief that a business plan should be small, but it should give clear answers to all questions.

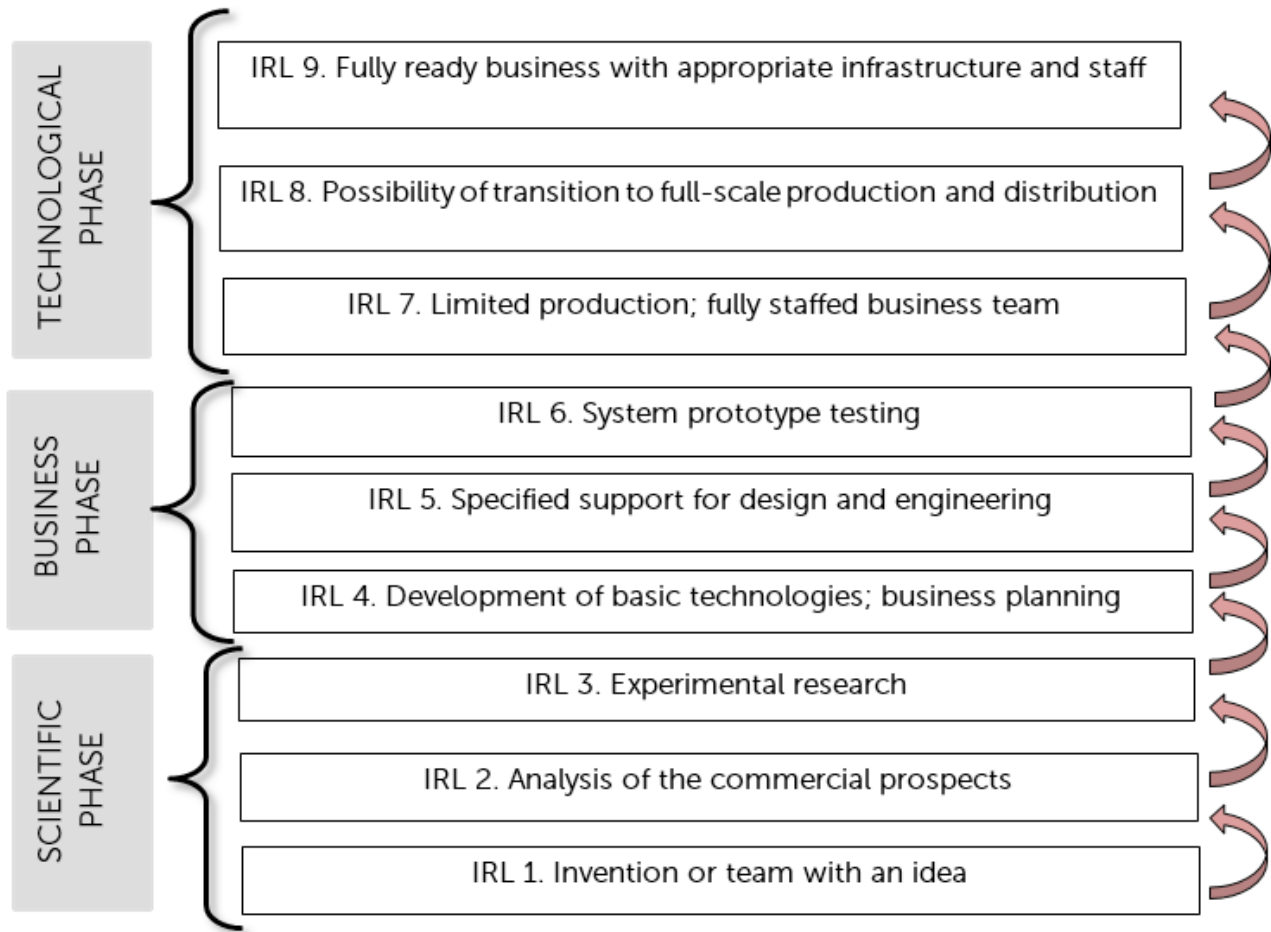
In addition, the results of the systematization of approaches to the structure of the business plan as a basis for investment indicate the presence of common components of business planning: executive summary, general information about the company, marketing plan, production plan, organizational activities, finance, risk factors and applications. However, all sections of the above techniques have different levels of detail and are generally close to the standard generally accepted structure of a business plan.

The table also clearly shows the trend: governmental methodologies include additional structural units that reflect the business idea compliance with the development strategy of the country / region (environmental and social goals). The advice for successful business planning in this case is as follows: if your business idea has a clear environmental and social direction, it is better to choose a public institution as a beneficiary.

In general, each of the techniques for developing business plans in each case is modified depending on the type of beneficiary and the logic of information presentation, i.e. considering a more detailed disclosure of some sections that are important in terms of investor interests. The choice of methodology depends on the business plan developer and the final addressee of the business plan, for example, in case of obtaining funds from national or international programs.

Also, the investor can assess the state of the proposed innovation project in the business plan according to the IRL (Innovation Readiness Level), which consists of the following levels (see figure 1).

Figure 1. The levels of the Innovation Readiness Level classification



Source: Biznes-plan inovatsiinoho proiektu, n.d.

The first 3 levels form the scientific phase, levels 4 to 6 make a technological phase, levels from 7 to 9 make the business phase. Clearly, the higher the level of innovation process, the higher the chances of the company to find an interested investor (Kochieva, 2016).

It is worth noting that in the case of starting a new activity, creating a new company (a start-up) or a unit, along with the choice of the idea and the definition of the scope of future business, the business plan structure needs slight modification. The development of a business plan for start-up projects is carried out in several stages (Blank, & Dorf, 2012).

The first stage of drawing up a business plan is to conduct a detailed analysis of the market, which allows to study its current trends, price levels and competition, as well as assess the market capacity and consider prospects for its development.

The second stage of drawing up a business plan and its important component is the preparation of a financial model - a financial plan. The financial plan for the startup project contains the following basic planned calculations: the budget of the initial investment,

planned sales, a detailed list of operating costs and their planned size, a break-even point analysis, a calculation of planned indicators of investment attractiveness and profitability of the planned project.

The third stage is the preparation of a descriptive part of the business plan, the basis for which is the built financial model, supplemented by the results of market research.

So, the main difference of the startup business plan is in the algorithm of its structure forming through three stages. The actual definition of the business plan of a startup project can be formulated as follows: it is a document that contains a description of key characteristics (marketing, financial, organizational, etc.) that fully highlight the essence of the proposed idea, justify investing in it and show different options and forecasts of the startup project development.

Regardless of the type of a business plan, undoubtedly the business planning process is time consuming. To simplify the technical calculations and development technology of this document, there are several software products used in business practice. The results of the consideration the main of them are presented in the form of table 2.

Table 2. Comparison of the most common software tools for business plans of the investment projects and startups

Software tool	Pricing, US doll.			Features
	Annual	Monthly	One-time	
LivePlan	139,92	19,95	–	<ul style="list-style-type: none"> - Several customizable features - Extensive online learning tools - QuickBooks and Xero integrations - Financial services - 60-day free trial
BizPlanBuilder	–	27,00	97,00	<ul style="list-style-type: none"> - Eye-catching visuals - In-depth presentations - Drag-and-drop templates - No mobile friendliness - Difficulty exporting PDFs - No free trial
GoSmallBiz	–	39,00	–	<ul style="list-style-type: none"> - Unlimited business consultations and mentoring - Customized reporting - 30-day money-back guarantee - Limited sample business plans - No exporting capabilities
Business Plan Pro	–	–	99,95	<ul style="list-style-type: none"> - Strong technical support team - Over 500 business plan templates - Money-back guarantee - No accessibility and collaboration opportunities - Old-school interface design
BizPlan	249,00	29,00	349,00	<ul style="list-style-type: none"> - Helps users integrate polished visuals and functionality into a business plan for an impressive presentation - The drag-and-drop templates make the software very user-friendly
PlanGuru	899,00	99,00	–	<ul style="list-style-type: none"> - Provides income statements, balance sheets, and cash flow statements - Provides over 20 forecasting techniques that help with tasks like creating tailored business drivers, such as non-financial information

Source: Writer, 2020

The above programs are designed to develop business plans at a high professional level. According to analyzed data, a LivePlan program tool is identified as the best software product for a business plan forming (Writer, 2020). It is a software that performs business planning, cash flow forecasting and financial results calculating for small businesses and startups (The LivePlan Tour, n.d.). A good free bonus is more than 500 examples of business plans that inspire entrepreneurs to come up with different ideas. In addition, detailed instructions for using the software are provided, and the cost of the software is comparatively low.

The advantage of these software tools for business planning is the ability to choose the appropriate development strategy, determining the impact of this project on the enterprise as a whole. In addition, these products allow you to calculate indicators of an investment efficiency, such as payback period of the project, profitability index, rate of return ratio, the net present value, as well as to analyze the sensitivity of the project.

Entrepreneurs often do not fully understand the importance of such a document as a business plan. This is due to the difficulties they face while developing this document. It is necessary to consider them systematically.

Firstly, if the entrepreneur is trying to make a business plan on their own, the development team should have a deep understanding of the calculations and marketing analysis, which is often not realistic for a small business.

Secondly, if the business plan is formed by an external participant, it is often not able to make a real project without close cooperation with the company's team.

Thirdly, it is difficult to describe with 100% probability the future and predict business development, because the environment of the enterprise is changing constantly.

Fourthly, there still exist the lack of the sufficiently sound information on market research and business environment. There are big problems with this factor in Ukraine, as statistical information does not fully reflect information about competitors, market trends, and there are almost no specialized surveys. Accordingly, it is difficult for each entrepreneur to achieve a high percentage of reliability of the business project.

And finally, the waste of time and financial resources often means that entrepreneurs usually do not see the need to create a business plan, and consequently work without planning or forecasting any activity.

5. Conclusions.

The results of these studies allow us to formulate the following conclusions and recommendations for improving business planning in Ukraine.

The analysis of the Ukrainian and foreign authors' approaches to the formation of the business planning concept undertaken here allows to form the following format of a "business plan" term: it is a reasoned and structured document for the implementation of certain business goals through a definite number of resources and several stages of the organization process, which allows to evaluate the effectiveness of the investment by time criterion, and receive funding. A professional and comprehensive approach to the development of this document provides a timely assessment of the project effectiveness, the right to adjust the initial plans

in the process of its implementation and monitor the impact of changes on the profitability of the project; shows the profitability and investment attractiveness of the future business.

A structural and comparative analysis of the Ukrainian and foreign methods of the business plan development showed that there is no single standard form of the business plan in current business practice. This is due to the fact that the requirements of the recipients differ, but the logic of the content is the same - to indicate the most realistic, most cost-effective, most convincing options for implementing a business idea in the language of economic calculations.

The study revealed the main basic difference between the startup's business plan and the typical structure of the business plan. Such a dissimilarity is embedded in the algorithm of the business plan formation through the following three stages: (1) conducting a detailed market analysis; (2) preparation of the financial model - a financial plan; (3) drawing up a descriptive part of the business plan. Accordingly, the essence of the business plan of the startup project is clarified, as a document containing a description of key characteristics (marketing, financial, organizational, etc.), which fully cover the essence of the proposed idea, justify investment implementation and outline different options and business forecasts.

A study of the practice of the business plan developing showed several difficulties for entrepreneurs who find it difficult to develop plans themselves. That is why the main software was reviewed and recommended for use. These programs technically simplify calculations, allow to create different business models for the business ideas implementation, and save the entrepreneur's money.

The practice of business planning in Ukraine has shown a few shortcomings that „convince“ entrepreneurs to abandon the business plan creation. The directions of these shortcomings' elimination, in our opinion, are the following: (1) to enshrine legislatively the necessity to develop a business plan as a mandatory document for the establishment of the enterprise and, thus, to ensure the investment effectiveness and to reduce the risk of bankruptcy. In addition, this fact significantly enhances the cooperation of the business idea carriers, business support centers, consulting firms, and indicates the potential presence of problems at the beginning, and later optimizes the process of business planning; (2) to intensify the scientific research of business planning, in search of recommendations on simplification of this process for the Ukrainian businessmen, their acquaintance with the advanced world experience in this area, filling of a scientific field with valuable information for business; (3) to fill the information space with systematic and consistent market research, containing not only statistical (quantitative) information, but the results of the qualitative research. Such market reviews would significantly increase entrepreneurs' trust in research and become a valuable basis for choosing the type of business and tools for its development. Today,

unfortunately, statistical authorities do not provide such an information set of data according to the methodological approach. In fact, these areas should become a prospect for the future research.

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