SERIAL ENTREPRENEURS – ALTERNATIVES TO TRADITIONAL BUSINESS PLANS? (Interactive Paper)

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INTERACTIVE PAPER

SERIAL ENTREPRENEURS – ALTERNATIVES TO TRADITIONAL BUSINESS PLANS?

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Principal Topic

The value of traditional business planning is under debate. Whether or not writing a business plan is the best way of utilizing already scarce resources at the start of a venture, is questionable. Is there an intrinsic value of a written plan or does the value depend on the specifics of each individual case? Traditional business plans are developed to meet a wide set of needs from different stakeholders. The choice of the entrepreneur regarding which planning tool to use is individual and depends on a number of factors, such as skills, experience, and resource constraints. There is a significant potential for improving success rate by selecting the right tool and methodology depending on needs and preferences. By guiding entrepreneurs, based on their individual requests and environment, a more effective process may be achieved. Our primary research questions are – i) To what extent do serial entrepreneurs use alternatives to traditional business plans? ii) What do serial entrepreneurs find more effective than traditional business plans? iii) Why do they find alternative methods more effective? iv) How do they prioritize between existing planning components?

Method

This study is based on interviews with 30 serial entrepreneurs within the ICT area in Sweden. The process of writing a traditional business plan is compared with various approaches used by serial entrepreneurs. The prioritization and order in which startup questions are resolved is mapped. The criteria used when prioritizing addressed issues and needs are analyzed. Interviewing serial entrepreneurs allows for analysis of how individual preferences change over time.

Results and Implications

Our preliminary results reveal that compared to traditional business planning the entrepreneurs interviewed are generally using an iterative process combining planning and an experimental approach. Only one or a few questions are addressed at a time and if a key question can’t be resolved any parameter may be changed to move forward. Even the basic direction of the venture may be fundamentally changed. The ambition is to create a sustainable business or sellable concept with a minimum of resources used. Efficiency and effectiveness improvements, compared to traditional business planning, are claimed to be significant.

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