

Sound Business Sense

Published February 25th, 2026

Robert Traynor, Ed.D., MBA, FNAP

Strategic Business Planning Part II



Part I of Strategic Business Planning focused on the initial steps to take when embarking on a venture to develop a new business. The next step is to solidify the process: *The Formal Business Plan*.

Berry (2023) asserts that a formal business plan is a strategy designed to help an organization anticipate future developments, allocate resources effectively, prioritize key objectives, and prepare for potential challenges and opportunities. A typical formal business plan comprises a standard set of components, though its structure may vary depending on the nature of the business and, occasionally, the software used in its development. Generally, a formal business plan includes descriptions of the company, the products or services offered, market analysis, forecasts, management structure, and financial projections. It serves as a concise document outlining strategies for establishing, sustaining, or expanding an existing business. It articulates the specific elements of a longitudinal business strategy developed during the earlier informal planning stages. Critically, the plan informs stakeholders, those concerned about the venture's long-term success, regarding operational functions within the proposed marketplace. These formal documents also

detail what is being sold, who is responsible, the qualifications of key personnel, target customers and their locations, resource requirements, promotional plans, and measures for evaluating viability within a designated market. Formal business planning not only clarifies objectives but also provides a structured approach to achieving those goals, evolving initial conceptual ideas into comprehensive, actionable plans.

Given the significant importance of business plans for audiology practices and projects, certain pitfalls must be avoided. Traynor (2026) enumerates best practices and common errors in business planning for a practice in the form of Dos and Don'ts:

Formal Business Plan Dos

DO

- Develop a Mission Statement that accurately reflects the practice's purpose, vision, and long-term objectives.
- Establish concrete goals, assign responsibilities, and set deadlines to guide the practice from inception through the next three to five years.
- Base the practice's financial projections on conservative estimates and grounded assumptions.
- Create milestones and define subsequent actions, such as acquiring new equipment or hiring additional staff contingent upon reaching revenue targets.
- Delegate responsibility for achieving goals and milestones to designated individuals for effective implementation and progress monitoring.
- Conduct thorough research of competitors and provide accurate characterization of their businesses.
- Articulate distinctive features that differentiate this new practice from other local existing practices.
- Present why patients will come to this new practice and not continue to engage with existing practices already serving the community.
- Integrate scheduled re-evaluations of practice success or disappointment and review the business plan at least quarterly in the initial three years, then semi-annually.
- Offer a practical roadmap with measurable objectives aligned with the practice's mission.

Formal Business Plan Don'ts

Don't

- Allow the business plan to be used to solely demonstrate knowledge of the business.
- Allow the Executive Summary to exceed one page.

- Allow the plan's length to exceed 25 pages, recognizing lenders' time constraints.
- Exaggerate opportunities but express enthusiasm judiciously without excessive promotion.
- Set unrealistic goals when presenting demographic data and referral sources.
- Underestimate the needs for the new practice within the marketplace.
- Avoid the impact of the competition and underestimate that patients are now being served by the competition.
- Underestimate potential necessary margin reductions on rehabilitative products and formulate alternative strategies.
- Assume that device manufacturers will prefer dealing with the new clinic over their current customers.

Formal Business Planning: Advantages and Utility

Since the 1970s, entrepreneurial audiologists have recognized the enduring value of the business plan as a highly stylized document presenting information in a logical, widely accepted format. Although content requirements have evolved with technological advances and changes in clinical protocols, these shifts have introduced new revenue opportunities and improved access to critical statistics on patient demographics, referral sources, insurance coverage, and competitive offerings.

Contemporary business plans are expected to include comprehensive market analyses. Lenders require detailed marketing and promotional strategies for both the start-up phase and the first three years (sometimes five years) of operation. Funding partners seek clear milestones for the period and evidence of how each milestone will be achieved before releasing initial or subsequent financial support. An exhaustive review of the competition, along with an explanation of how the proposed practice or practice expansion distinguishes itself, is essential. The plan should specify methods for communicating these advantages to referral sources and prospective patients. Detailed staffing projections, equipment costs, technology plans, website development, and online presence strategies must be addressed. Inadequate attention to these areas signals insufficient due diligence to potential investors.

In essence, a thorough formal business plan delineates every element necessary for a successful practice and reflects the vision of the funding-seeking practitioner. The fundamental question for any business plan is whether a venture capitalist or banker would invest in the practice based on the information presented. If the plan demonstrates a balanced provision of relevant data, realistic projections, sound demographic analysis, and service offerings, it facilitates informed investment decisions.

Business plans serve as both a management tool and a financial blueprint, defining goals and outlining precise strategies for achieving them. Beyond guiding initial establishment, the plan remains vital for ongoing operations. Contrary to common misperceptions, the business plan should not be considered redundant after securing start-up funding. Rather, it is a dynamic document that is regularly updated as the business evolves. Maintaining an up-to-date plan ensures readiness for expansion opportunities and provides a consistent reference point for tracking progress and adherence to the original objectives.

Business Plans Change with Market Changes

Within three years post-start-up, a business plan often undergoes substantial revision, much like maps or blueprints that adapt to infrastructure updates. As the practice develops, faces market fluctuations, navigates business cycles, and responds to regulatory changes, owners may need to evaluate relocation or expansion.

Especially relevant in the 2026 healthcare landscape, embracing change within business plans is essential. For instance, a hospital's integration of a family practice group can redirect referrals exclusively within its provider network. Shifts in patient demographics or the entry of new competitors may alter local market dynamics. External factors, such as the closure or relocation of major employers, can significantly impact both the community and healthcare providers. Practices should revise their business plans to address such transitions, including targeted outreach to affected populations.

Adaptability to changing market conditions is crucial for sustained success, applicable not only in audiology but across primary care and other medical specialties.

The next episode of *Sound Business Sense* begins the discussion of the specific components of a *Formal Business Plan*.

References

- Berry, T., (2023). [14 Reasons Why You Need a Business Plan](#). Retrieved February 6, 2026.
- Traynor, RM (2026). Chapter 3 - Strategic Business Planning. In *Strategic Practice Management, 4th Edition*, (Traynor, RM & Taylor B., Eds.) San Diego, CA: Plural Publishing.