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How To Write An Unsuccessful Entrepreneurial Business Plan: Content Analysis of the Normative Literature Reveals a Flawed Paradigm.

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ABSTRACT
The study's aim was to investigate whether an Entrepreneurial Business Planning (EBP) paradigm could be discovered as a body of core, common maxims within the normative EBP literature (works of the 'how-to-write-a-successful-new-venture-business-plan' genre). It employed content analysis techniques adapted mainly from the methodological prescriptions of Krippendorf (1980) and Carney (1972). The textual investigation produced a comprehensive, quantitative data base capable of sufficient interpretative richness to discover that an established Entrepreneurial Business Planning paradigm does exist. Its major elements embrace two key assumptions, four strong mandates and four weaker mandates.

The discovery is significant for two main reasons. First, it provides a formally-researched, explicitly-articulated EBP paradigm. This can replace the anecdotal, unarticulated assumption (implicit in most of the normative EBP literature) that an EBP paradigm 'probably exists'. Second, the research redresses some of the imbalance between entrepreneurship teaching - where Entrepreneurial Business Planning is at the core of international curricula - and entrepreneurship research which has virtually ignored EBP as a topic worthy of serious scrutiny. A firm basis for critical, scholarly exploration of the neglected EBP field is now established. This takes the theory and practice of EBP into a new era beginning with recognition that the discovered EBP paradigm is badly flawed and likely, if blindly applied, to lead to the writing of unsuccessful business plans.

Key Words and Phrases. Entrepreneurship; Planning; Entrepreneurial Business Planning; Paradigm.
INTRODUCTION: COUNTING A 'COUNTLESS' LITERATURE

Objective - The Quest for a Paradigm

Entrepreneurial Business Planning (henceforth often abbreviated to 'EBP') is a recognised field within the discipline of Entrepreneurship. EBP is the midwife of new ventures and the regenerator of established businesses suffering from impeded growth. Without an Entrepreneurial Business Plan, both new ventures and the growth hopes of existing ventures will be stillborn through lack of ability to attract the equity and debt funds needed to achieve strategic intent. There is no shortage of agreement on EBP's importance and no shortage of advice on how to write successful Entrepreneurial Business Plans. The 'how-to-write-a-successful-entrepreneurial-business-plan' literature (henceforth 'the normative EBP literature') is abundant and growing prolifically. Vesper has stated:

‘Venture planning has been the subject of countless “how to” publications but very little systematic study.’ (Vesper 1993: 310).

It was the purpose of the investigation reported in this paper, both to count the 'countless' normative EBP literature and to see whether it counted. Less cryptically, this study took a sample, conservatively estimated as exceeding ten percent of the English-language normative EBP literature, and subjected the texts in that sample to a detailed content analysis to see whether their prescriptions contained enough consistent, core recommendations to justify the claim that there is an established EBP paradigm: a core set of theoretically justified practical principles for the successful writing of a new venture plan.

Rationale - Redressing the Imbalance Between Teaching and Research.

The expanding discipline of Entrepreneurship urgently needs to redress a pronounced imbalance between teaching and research in the EBP field by establishing whether an EBP paradigm exists and, if so, subjecting it to rigorous critique.

An examination of the world-wide entrepreneurship curricula of tertiary education institutions (Vesper 1993b and 1993c: passim) shows the universality of the importance placed upon teaching students to write an Entrepreneurial Business Plan. Whether the particular institution offers a wide range of detailed and structured entrepreneurship programs or just a single general-scope entrepreneurship elective is offered, one thing is certain. All students will be exposed to a prescription purporting to lay down the principles and procedures for writing a successful Entrepreneurial Business Plan. Yet, prior to this study, the writing of procedural prescriptions has overwhelmed the analysis of theoretical and practical principles.

Entrepreneurial Business Planning has been the subject of limited research which has dealt with planning as one of a number of success factors rather than as a topic in its own right. Duchesneau and Gartner (1988) found that emphasis on a number of aspects of planning, including assessing the market, considering a number of functional areas and devoting more time to planning were all related to success. Van de Ven, Hodson and Schroeder (1984) found that the use of a program-planning model was

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1 This paper will use the term 'Entrepreneurial Business Planning' (often shortened to the initials EBP) rather than 'Venture Planning' because it provides a stronger connotations of the features which distinguish this category of planning.
associated with higher performance and that the number of people the plan was sent to for feedback was positively related to performance. Roure and Maidique (1986) found that the level of detail in planning the development of a technology was positively related to success.

These and other widely-spaced insights are theoretically interesting and potentially practically useful. But they lack integration through comparison. To date, entrepreneurship scholarship contains no generic frame of reference, well-articulated agreement or even meaningful debate as to what constitute the common, core principles and priorities of Entrepreneurial Business Planning. There has been no systematic investigation of EBP’s set of sets. That is, there has been no examination of the EBP literature on an aggregate and comparative basis, to ascertain the major points of agreement and difference between the various individual EBP prescriptions contained in the normative EBP literature. Furthermore, there has been no systematic comparison of the literature (whose purpose after all is to teach the art of getting investors to invest in risky ventures) with the investment criteria of potential suppliers of financial and other resources in the real world. In short, there is a dearth of research devoted to discovering the generic principles requisite for a paradigm of Entrepreneurial Business Planning.

The calls for such research are over twelve years old. Gartner (1985), for one, made the call at the end of a seminal article on organisational emergence. Without a viable EBP paradigm, aspiring entrepreneurs have great difficulty in discriminating between a poor plan and a good one and entrepreneurship scholars lack even the basis for well-structured research. This is an undesirable state of affairs for subject matter that is at the heart of the success or failure of new venture creation - the core entrepreneurial activity which gives the discipline of entrepreneurship its raison d'être. The quest for detection and articulation of the EBP paradigm is overdue because theory and practice in the field need to proceed on an explicitly researched rather than an implicitly anecdotal basis.

The place to look is the expanding normative EBP literature and the way to look is by content analysis of the core prescriptions which those texts contain.

(Couldn't see how the following related to the rest of the paper. Why are these definitions 'key' in the context of this paper?)

**Developing An Analytical Framework**

The establishment of an analytical framework was a pre-requisite of the investigation. This is not to say that the researcher determined *a priori* that he would discover an EBP paradigm. On the contrary, the 'operative suspicion' (not a strong enough presupposition to be worthy of the name 'hypothesis') was that the sheer diversity of 'how to write a successful business plan' prescriptions would not yield a coherent core set of common prescriptions. But if one decides to hunt for the abominable snowman, it is necessary to build a cage to contain the beast even if one is not sure that it exists let alone what it will look like or how it will behave.

In the case of this quest, the prerequisite 'cage' for containing the Entrepreneurial Business Paradigm (should one be discovered) emerged from melding the five essential ingredients of any paradigm - boundaries; laws; success rules; instrumentation and theory - (derived from Kuhn 1970: 10; Barker 1992: 32 and Chalmers 1984: 90) with
the three key roles of a plan - communication; control and simulation - (Mintzberg 1994: 361 and 367). Combination produces an analytical framework for investigating the EBP paradigm, illustrated in exhibit 1.

**EXHIBIT 1**

**ANALYTICAL FRAMEWORK FOR INVESTIGATING THE EBP PARADIGM**

<table>
<thead>
<tr>
<th></th>
<th>What are the defining elements?</th>
<th>How does one obtain success?</th>
</tr>
</thead>
<tbody>
<tr>
<td>PARADIGM BOUNDARIES</td>
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<td></td>
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<tr>
<td>COMMUNICATIONS</td>
<td>?</td>
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<tr>
<td>CONTROL</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td>SIMULATION</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td>PARADIGM LAWS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PARADIGM SUCCESS RULES</td>
<td></td>
<td></td>
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<tr>
<td>INSTRUMENTATION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>REQUIREMENTS</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**THEORETICAL JUSTIFICATION. Why does this paradigm contain these prescriptions?**

Working horizontally through the matrix, one is confronted with the need for any EBP paradigm to articulate four characteristics (boundaries, laws, success rules and instrumentation) for each of the three roles of a plan (communications medium, control device and simulation mechanism). Together, paradigm boundaries and laws\(^2\) will articulate definitional substance: what elements comprise the paradigm. Together, paradigm success rules and instrumentation requirements will articulate methods of achievement: how one obtains success.

Overall, the paradigm should possess an overt theoretical justification: a statement of why the planning paradigm consists of the mandated boundaries, laws, success rules and instrumentation requirements. This analytical framework provides a comprehensive mechanism for classifying and critiquing whatever might be discovered about the existence of a prevailing EBP paradigm and whatever might subsequently be argued as an enhancement of that discovery.

**METHODOLOGY**

**Research Design Overview**

The primary objective was to answer the question: ‘Is there a prevailing paradigm of Entrepreneurial Business Planning (EBP)?’ This expanded into a research problem whose tasks were to define, extract, record, rate, analyse and collate core message

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\(^2\) At this point it is useful to distinguish the two nomothetic concepts: 'law' and 'success rule'. It is fundamentally a distinction between the mandatory and the optional. A law is a rule recognized by a community as binding. Laws circumscribe. Non-conformity with the law puts one beyond the pale of the community. Success rules, as the name implies, are indicative rather than prescriptive. Not being successful does not place one outside the pale of a community. Success rules are principles intended to increase the probability of solving problems within the purview of a particular paradigm. Laws (together with boundaries) define what that purview is.
Content from a representative sample of the normative EBP literature. If the investigative process revealed a discernible consensus of core message content among texts in the sample, that consensus could be claimed to represent the Entrepreneurial Business Planning paradigm.

Content analysis imposes a search for essences; for economical framing of questions productive of useful insights and for an analysis, as objective as possible, of the answers which texts provide to those questions. This study based its methodological pedigree in the prescriptions of Berelson (1952) - who defined content analysis as 'a research technique for the objective, systematic and quantitative description of the manifest content of communication'; Holsti, (1969) - who proffered two broad definitions, (1) 'A technique for gathering and analysing the content of text' and (2) 'A phase of information-processing in which communication content is transformed, through objective and systematic application of categorisation rules, into data that can be summarised and compared'; Carney (1972) - who set out to show that the technique is applicable in any discipline which has to deal with written materials or literature and Krippendorff (1980) - who defined the technique as one 'for making replicable and valid inferences from data to their context'. Content analysis thus transforms communication content through objective and systematic application of rules, into data that can be summarised and compared.

Simply stated, the research design was to apply the techniques of content analysis in order to distil the core essences of the prescriptions of a representative sample of the normative EBP literature. It consisted of: a sampling plan; a unitisation scheme resulting in production of a survey instrument; recording instructions and control mechanisms; a data reduction and presentation scheme; and data analysis techniques. (Do the terms 'unitisation' and 'data reduction' need to be explained for the intended audience of this paper?) At the heart of the design were two related key issues:

1. selection of sample sets of both books and journal articles from the EBP normative literature appropriate to the extrapolation of generic inferences
2. the development of a codified rating system for application to each sampling unit to produce the records for data reduction.

To reduce bias and maximise objectivity, the rating process was independently conducted by three people: the author and two skilled assistants3. Data reduction was an iterative and interactive review process. At a late stage of the process, a categorisation of attributes was discovered superior to that with which the task began. This is the general nature of all qualitative research techniques (Walker 1985 passim) which involves a dialogue with one's data and is a particularly strong feature of content analysis which is a process of iterative search for reductionist categories. A careful triangulation procedure minimised the likelihood of codification, and later, rating-allocation bias.

Sampling Plan

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3 The author is deeply indebted to Harry Van Andel and Pira Duraiswami, who laboured for a great many hours in the often tedious detail of the content analysis research reported in this paper. The overall design, construction, control and reporting of the research are the results of the author's original work. However, the credibility and quality of the execution were immeasurably enhanced by Van Andel's and Duraiswami's contributions in ensuring dispassionate codification and measurement of communications attributes.
To gain a measure of the size of the sample relative to the universe of books on the subject, a database search of books in print was conducted. This search, based on a range of keywords which in isolation or combination included, *inter alia*, 'business', 'plan', 'entrepreneur' (in all its forms), 'venture', and 'new venture', finally yielded - after much cross-referencing, sieving and checking - 90 titles. This was a far smaller volume of books than expected. While the library search was thorough and professional, it became clear that a traditional library search by words in a title - albeit aided by the latest computer and communications technology - was not and could never be conclusive. Therefore, as a crude method of estimating (most likely over estimating) the 'universe' of EBP books, the surmise was made that the universe might be as proportionately larger than the listings obtained by library search as the number of books already read was to the listings obtained. There is no disguising the crudity and subjectivity of this calculus. Its only merit is its conservatism - producing a 'universe estimate' of EBP 350 books, nearly four times larger than the traditional library search produced. (I've read this and the corresponding section in chapter 3 of the PhD and I still don't understand this calculation - so there is at least a possibility others won't either!) The final sample of books used for the content analysis (titles listed at the end of the paper) numbered 38. It therefore seems reasonable to argue that this sample represented at least 10% of Entrepreneurial Business Planning books published in the English language on or before January 1, 1995 (books listings in data bases may lag their publication dates by two years or more).

For journal articles, a sampling strategy based on database abstracts was chosen. Articles were selected from a search of on-line databases and by using several filters to reduce the number of 'hits'. This process yielded 51 journal articles which were assessed and coded using the same rating instrument applied to the content analysis of books. Appendix One contains the references of all books and articles used in both samples.

**Data Collection, Classification and Rating System**

The starting point, of course, was for all three coders to read every sample-set book and article, make copious notes, work on a schema which 'didn't leave anything out' and progressively refine that schema until it comprised an effective, efficient and comprehensive survey instrument providing a platform for the systematic recording of major categories of information and the posing of sub-questions (i.e. the defining of attributes) within those categories. The rating instrument, listing 22 attributes grouped in 4 categories, is reproduced as exhibit 2.

In the three coders' judgement, these 22 attribute/questions fully embraced and summarised the major messages communicated by the 38 books and 51 journal articles. Thus, the recording units (as mandated by Krippendorff 1980) for this content analysis research, could now become the rated responses to the 22 questions on a 5-point ordinal scale. Question one, for instance, (summarised on the survey instrument as

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4 The researcher acknowledges his indebtedness to Ms Prue Taylor, research librarian at the Swinburne library.

5 'Books already read' were all the EBP normative books (and substantive chapters) contained in the library of the Centre of Innovation and Enterprise at Swinburne University of Technology, Australia's largest specialist collection of books focused on Innovation and Entrepreneurship.

6 This number was submitted to five knowledgeable colleagues whose qualitative opinion was that this estimate of the universe is probably far too high. So, they were well satisfied with the sample size.
'presumed audience GBK level') is: 'What does the author presume about his or her
target audience's level of general business knowledge (GBK)?' The 5-point scale had
the merit of a neutral point at the centre, affirmative or negative at the extremes and an
option to indicate a trend in between.

However, to use the five-point scale for rating purposes on this question (and all
others), a rater could not be permitted to operate with hazy notions. And each of the
three raters needed to have exactly the same precise definition of every ratings category
for this (and every other) question. A thorough and meticulous content analysis
research process, capable of triangulation and replication, required that there be a
precise definition of exactly what is meant by: very high; high; neither high nor low;
low and very low for all twenty two questions - 110 detailed definitions in all!
Presentation of all 110 definitions in the body of this paper is impractical and in any
case would tax most readers beyond reasonable endurance. The definitions are
available to bona fide researchers upon application to the author.
## EXHIBIT 2
### THE SURVEY INSTRUMENT

<table>
<thead>
<tr>
<th>EBP LITERATURE CONTENT ANALYSIS SURVEY SHEET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REFERENCE DETAILS:</strong> Coder: Book (B) or Journal Article (J):</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>RATING INSTRUMENT:</strong></th>
<th>VERY HIGH</th>
<th>HIGH</th>
<th>Neith H/L</th>
<th>LOW</th>
<th>VERY LOW</th>
<th>ADDITIONAL COMMENTS</th>
</tr>
</thead>
</table>

### PEDAGOGIC AXIOMS
- Presumed Audience GBK Level
- Presumed Computer/S'sht Literacy

### CONTEXT ATTRIBUTES
- Stand Alone
- Startup Bias
- Venture Capital Presumption
- Overall Length
- Adaptability Claim
- Adaptability Potential

### CONTENT PRESCRIPTIONS
- Keep It Short
- Do It Yourself
- Define Target Audience
- Define Plan Objectives
- Define The Investment Offer
- Differentiate Business Concept
- Formal Opportunity Statement
- Multi-disciplinary Integration
- Rel. Import. of Financial Projections
- Sensitivity Analysis Importance
- Table Of Contents Rigidity

### INSTRUCTIONAL SOPHISTICATION
- Overall
- Revenue & Cost Forecasting
- Financial Modelling

### KEYWORDS:

### CITATIONS CODER'S NOTES AND SUMMARY CRITIQUE:

Two key control mechanisms were thus established: precision of definition and elimination of sole-assessor bias. In practice, when the three reviewers compared ratings there was very little disagreement, indicating that the aim of developing a precise and replicable coding scheme had been achieved.
Data Analysis Techniques

All recording units were entered into a Microsoft Access Relational Database Management System for Windows. It allowed great flexibility of data manipulation, quick retrieval and total cross-referencing in a manner analogous to cross tabulation procedures for bi-variate analysis of statistically valid random samples. An SPSS PC file was also established. The purpose of the data reduction scheme was to accumulate distinct ratings for individual attributes; all attributes; and selected combinations of attributes in the samples of books and journal articles. The process of analysis was based on the ability to rank and compare ratings. First, an aggregate quantitative summation of ratings called a 'survey masterchart' (see exhibit 3) was created and analysed to select the most revealing combination of sampling units for cross-tabulation and discussion. Then, a variety of groupings and comparisons of sampling units (representing 'sets of sub-sets') became possible by a simple technique of ranked plotting. This mutual rank-comparison capacity provided, (and is capable of continuing to provide future analysts who wish to use the data base) a clinical, quantitative, analytical tool which is a very flexible aid to insightful, qualitative interpretation. Exhibit 4 provides an example of ranked comparison.

Exhibit 3
The Books Survey Sample Masterchart

<table>
<thead>
<tr>
<th>Output Attributes (What an EBP should do)</th>
<th>Very Low</th>
<th>Low</th>
<th>Neither High nor Low</th>
<th>High</th>
<th>Very High</th>
<th>Wt Ave*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investor And Message Definition</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Define target audience</td>
<td>8  8%</td>
<td>14 37%</td>
<td>7 18%</td>
<td>7 18%</td>
<td>2  5%</td>
<td>2.5</td>
</tr>
<tr>
<td>Define plan objectives</td>
<td>2  5%</td>
<td>11 29%</td>
<td>6 16%</td>
<td>15 39%</td>
<td>4 11%</td>
<td>3.21</td>
</tr>
<tr>
<td>Define investment offer</td>
<td>9 24%</td>
<td>9 24%</td>
<td>10 26%</td>
<td>8 21%</td>
<td>2  5%</td>
<td>2.61</td>
</tr>
<tr>
<td>Differentiate business concept</td>
<td>9 24%</td>
<td>13 34%</td>
<td>6 16%</td>
<td>7 18%</td>
<td>3  8%</td>
<td>2.53</td>
</tr>
<tr>
<td>Formal opportunity statement</td>
<td>18 47%</td>
<td>10 26%</td>
<td>4 11%</td>
<td>6 16%</td>
<td>0  0%</td>
<td>1.95</td>
</tr>
<tr>
<td>Provide adaptability potential**</td>
<td>6 16%</td>
<td>11 29%</td>
<td>8 21%</td>
<td>10 26%</td>
<td>3  8%</td>
<td>2.82</td>
</tr>
<tr>
<td><strong>Communication Clarity And Credibility</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do it yourself***</td>
<td>3  8%</td>
<td>3  8%</td>
<td>9 24%</td>
<td>18 47%</td>
<td>5 13%</td>
<td>3.5</td>
</tr>
<tr>
<td>Formatting Prescriptions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Keep it short</td>
<td>9 24%</td>
<td>3  8%</td>
<td>9 24%</td>
<td>7 18%</td>
<td>10 26%</td>
<td>3.16</td>
</tr>
<tr>
<td>Table of contents rigidity</td>
<td>8 21%</td>
<td>10 26%</td>
<td>7 18%</td>
<td>13 34%</td>
<td>0  0%</td>
<td>2.66</td>
</tr>
<tr>
<td><strong>Finance Perspectives And Prescriptions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-disciplinary integration</td>
<td>4 11%</td>
<td>4 11%</td>
<td>19 50%</td>
<td>7 18%</td>
<td>4 11%</td>
<td>3.08</td>
</tr>
<tr>
<td>Relative importance of financial projections</td>
<td>6 16%</td>
<td>13 34%</td>
<td>8 21%</td>
<td>10 26%</td>
<td>1  3%</td>
<td>2.66</td>
</tr>
<tr>
<td>Sensitivity analysis importance</td>
<td>23 61%</td>
<td>8 21%</td>
<td>3  8%</td>
<td>3  8%</td>
<td>1  3%</td>
<td>1.71</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Input Attributes (How an EBP author should do it)</th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Audience and Instructional Sophistication</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Presumed Audience GBK Level</td>
<td>8 21%</td>
<td>16 42%</td>
<td>6 16%</td>
<td>8 21%</td>
<td>0  0%</td>
<td>2.37</td>
</tr>
<tr>
<td>Overall</td>
<td>7 18%</td>
<td>14 37%</td>
<td>10 26%</td>
<td>7 18%</td>
<td>0  0%</td>
<td>2.45</td>
</tr>
<tr>
<td>Do it yourself***</td>
<td>3  8%</td>
<td>3  8%</td>
<td>9 24%</td>
<td>18 47%</td>
<td>5 13%</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>Start Up and Venture Capital Bias</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Startup bias</td>
<td>6 16%</td>
<td>2  5%</td>
<td>4 11%</td>
<td>16 42%</td>
<td>10 26%</td>
<td>3.58</td>
</tr>
<tr>
<td>Venture Capital presumption</td>
<td>5 13%</td>
<td>3  8%</td>
<td>8 21%</td>
<td>17 45%</td>
<td>5 13%</td>
<td>3.37</td>
</tr>
<tr>
<td><strong>Autonomy and Adaptability</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Stand alone</td>
<td>10 26%</td>
<td>5 15%</td>
<td>13 34%</td>
<td>7 18%</td>
<td>3  8%</td>
<td>2.68</td>
</tr>
<tr>
<td>Overall length</td>
<td>1  3%</td>
<td>10 26%</td>
<td>9 24%</td>
<td>6 16%</td>
<td>12 32%</td>
<td>3.47</td>
</tr>
<tr>
<td>Adaptability claim</td>
<td>0%</td>
<td>5 13%</td>
<td>12 32%</td>
<td>17 45%</td>
<td>4 11%</td>
<td>3.53</td>
</tr>
<tr>
<td>Adaptability potential**</td>
<td>6 16%</td>
<td>11 29%</td>
<td>8 21%</td>
<td>10 26%</td>
<td>3  8%</td>
<td>2.82</td>
</tr>
<tr>
<td><strong>Finance and Spreadsheet Modelling</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Presumed computer and spreadsheet literacy</td>
<td>23 61%</td>
<td>6 16%</td>
<td>5 13%</td>
<td>4 11%</td>
<td>0  0%</td>
<td>1.74</td>
</tr>
<tr>
<td>Revenue &amp; cost forecasting instruction</td>
<td>18 47%</td>
<td>12 32%</td>
<td>5 13%</td>
<td>3  8%</td>
<td>0  0%</td>
<td>1.82</td>
</tr>
<tr>
<td>Financial modelling instruction</td>
<td>23 61%</td>
<td>10 26%</td>
<td>3  8%</td>
<td>2  5%</td>
<td>0  0%</td>
<td>1.58</td>
</tr>
</tbody>
</table>

* Weighted Average on a five point scale where 1='very low', 2='low', 3='neither high nor low', 4='high' and 5='very high'.
** Adaptability potential is deliberately listed twice because it is simultaneously an input and output attribute.
*** Do it yourself is deliberately listed twice because it is simultaneously an input and output attribute.

As analysis progressed, the researchers found that the four broad categories of attribute with which the process started (i.e. 'Pedagogic Axioms', 'Context Attributes', 'Content Prescriptions' and 'Instructional Sophistication') could be usefully collapsed into only
two major categories of paradigm sub-division: 'Output Attributes' (what an entrepreneurial business plan should do) and 'Input Attributes' (how an entrepreneurial business planner should do it).

### EXHIBIT 4
Ranked Weighted Averages Of Input Attributes

#### Detailed Scrutiny Of Selected Attributes

Using the software, it was possible to plot clear, simple, bar-charted, rating profiles of each of the 22 attributes captured in the book survey. The horizontal axis indicated the percentage of cases. The vertical axis indicated the five ordinal categories, from 'very high' to 'very low'. Thus, for each key attribute of the Entrepreneurial Business Planning literature, a simple, clear picture of the results of attribute rating was obtained and scrutinised in detail. A single graphical example of one attribute is provided for illustrative purposes as exhibit 5.
EXHIBIT 5
Question 1
Ratings Of Presumed Audience GBK Level

Using the relational data base, an exhaustive cross-referenced data analysis was performed of the rating profile of each attribute with respect to the rating profile of all of the others. Numerous other relationships were explored, such as taking books that had a particular weighting in a particular attribute and investigating how such books rated all the other attributes. These techniques revealed significant patterns in the data: similarities, contrasts and trends. Many graphical 'pattern plots' were made to aid visualisation of relationships.

Limitations
(The following is a combination of the original text in this section and the 'Caveat' section later on (which has been removed). There seemed to be overlap between the two. It would probably fit just as well under 'caveat', but I don't think you need both)

It is wise for the content analyst to pause and reflect with due humility upon one inescapable fact: content analysis is a reductionist technique. The quality, reliability and validity of the answers obtained in any content analysis is only as good as the quality of the questions asked. And, unless extreme care is taken, it is highly dangerous to purvey 'weighted average' or 'condensed' wisdom. There is no such thing as a 'typical' book or journal article: every such work is a unique intellectual artefact. Exclusively quantitative data analysis is normally not possible and so the inferences drawn are probabilistic.

However, it is equally dangerous to abrogate responsibility for discerning a paradigm consensus - however fragile - if one exists. The retention of a relational data base and research protocol makes the study replicable and adds credibility to its discovery of an EBP paradigm.

MAJOR FINDING: THE DISCOVERED EBP PARADIGM
Exhibit 6 presents a tabular summary of the discovered Entrepreneurial Business Planning paradigm, in the form of the four-by-three cell matrix developed as an analytical framework for the study. The matrix presentation makes the dimensions, attributes and omissions of the discovered paradigm immediately apparent. The major elements of the paradigm embrace: two key assumptions; four strong mandates and four weaker mandates. These are expanded, below under headings based on the analytical framework.

(I found the question and answer format a bit cumbersome and since the study objectives are not laid out in that form, it doesn't readily link back i.e. does not facilitate comparison between what you set out to discover and what you actually discovered.

**Boundaries**

The Paradigm Makes Two Key Assumptions

(1) The discovered EBP paradigm assumes entrepreneurial business plans are written about startup ventures for an audience of venture capitalists but that such plans are highly adaptable to a wide variety of enterprises and audiences.

(2) The discovered EBP paradigm assumes that prospective Entrepreneurial Business Planners have low levels of business knowledge (both in general and with respect to such key skill areas as revenue and cost forecasting, spreadsheet literacy and financial modelling). This assumption limits the instructional sophistication provided on how to conduct the business planning process.

**Laws**

The following four attributes, all classifiable as laws, are strongly mandated by the discovered EBP paradigm.

(1) The dominant exhortation is to 'do it yourself'. That is, the entrepreneur is encouraged to write the business plan personally.
(2) The plan's objectives must be defined.
(3) The plan must be short (and this usually means 'less than 40 pages').
(4) The plan must embrace a major effort of multi-disciplinary integration. At a minimum, this requires the blending of product, marketing, organisation, management and financial sub-plans into a coherent whole under the auspices of an articulated strategy.
**EXHIBIT 6**  
The Discovered Entrepreneurial Business Planning Paradigm

<table>
<thead>
<tr>
<th><strong>COMMUNICATIONS</strong></th>
<th><strong>PARADIGM ELEMENTS</strong></th>
<th><strong>How does one obtain success?</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PARADIGM BOUNDARIES</strong></td>
<td>Receivers (audiences) are: primary - VC Companies; secondary - numerous, ill-defined. <strong>Sender (business plan writer) is:</strong> relatively unsophisticated in business skills.</td>
<td>(Strongly prescribed). 1. Do it yourself. * 2. Define plan objectives.* 3. Keep it short. 4. Plan must involve multi-disciplinary integration*</td>
</tr>
<tr>
<td><strong>PARADIGM LAWS</strong></td>
<td>(Weakly prescribed). <strong>Message content should:</strong> 1. Employ a standard table of contents. 2. Define a specific investment offer. 3. Differentiate the business concept.</td>
<td></td>
</tr>
<tr>
<td><strong>PARADIGM SUCCESS RULES</strong></td>
<td>None prescribed.</td>
<td></td>
</tr>
<tr>
<td><strong>INSTRUMENTATION REQUIREMENTS</strong></td>
<td><strong>CONTROL</strong></td>
<td>None prescribed.</td>
</tr>
<tr>
<td></td>
<td><strong>SIMULATION</strong></td>
<td>None prescribed.</td>
</tr>
</tbody>
</table>

**THEORETICAL JUSTIFICATION.** None provided.

* The prescription has both a communications and a control role.
Success rules

There is a cluster of four plan attributes, all classifiable as success rules, about which a weaker consensus exists:

(1) rigid commitment to a prescribed table of contents for the plan;
(2) financial projections are relatively no more important than other functional and disciplinary aspects of the plan;
(3) need for the plan to formally define a specific investment offer;
(4) need for the plan to carefully differentiate a specific business concept;

Instrumentation requirements
The discovered paradigm does not mandate any instrumentation requirements.

Theoretical justification
The discovered paradigm does not provide a consistent body of theoretical justification for the boundaries, laws and success rules it prescribes.

DISCUSSION AND IMPLICATIONS

Caveat

Bearing in mind the limitations previously discussed, the author believes it is correct, desirable and necessary to summarise the discovered EBP paradigm, as presented in exhibit 6.

Some aspects of the findings are worthy of further brief discussion.

Paucity of Journal Literature

First, there is a paucity of journal-based scholarship in the EBP field. In general, the EBP journal 'literature' is not scholarly literature. It is aimed at providing specific professional audiences (e.g. laboratory managers, health professionals etc.) with very broad guidelines and fervent exhortations that a new venture should be planned. The respected entrepreneurship research journals are virtually void of any articles on the topic of EBP worthy of the name 'research'. Naturally, a 'how to' prescription, for reasons of necessary length, is far more likely to come from a book than a journal article. Thus, the EBP paradigm had to be sought from a distillation of wisdom contained in books. The journal literature is currently too insubstantial to support any major inferences as Exhibit 4 clearly indicates.

Trends

The study revealed four pronounced trends.

- In books with a higher level of instructional sophistication and books written after 1989, there is a marked trend to an ever-stronger multi-disciplinary emphasis. (Thus Law No. 4 is being strengthened.)
There is a clear trend to increasing recognition of the importance of defining the investment offer, rather than relying on or hoping the investor will come up with the best deal. The trend becomes very strong for books written after 1989. (Thus Success Rule No. 3 is becoming more strongly mandated.)

A trend to increasing emphasis on the relative importance of financial projections in the EBP process is discernible. The prime driver of this trend has been author recognition of prospective investors' (venture capitalists' in particular) need for increasingly sophisticated, flexible and credible financial projections. (This presents a growing contradiction to Success Rule No. 4.)

A marked 'non-trend' is the lack of any growth in admonitions concerning the ability to perform sensitivity analyses. Indeed, sensitivity analysis (from almost every category of perspective one could conceivably generate from this content analysis research) rates as the least important of the output attributes which the literature contains.

Speculation: Why is it so?

Because answering the question 'why is the EBP paradigm what it is?' is an area of almost pure speculation - reconstructing the implicit motives and rationality of a wide variety of EBP authors - the researcher did not dwell on it. Nevertheless, it is interesting to ponder some tentative reasons for the EBP paradigm being what it is.

Clearly there is an element of self-fulfilling prophesy. If writers assume a low level of general business knowledge in their readers and then seek to instruct them widely in multi-disciplinary skilling, those writers are, a priori, limiting the depth of detail which they can hope to impart. More simply, the paradigm is of low standard because it is pitched too low.

There is very little cross-referencing and no EBP research base or tradition among authors in the EBP field. Every author is a virtual world unto himself or herself. This limits the ability to achieve those cumulative effects - knowledge building on knowledge - which are the central benefits of genuine scholarship and the sine qua non of the development of a community of scholars capable of furthering knowledge through research. Clearly, many of the EBP authors have read one another, but they do not often acknowledge one another. And they do not seek to avoid 're-inventing the wheel'. This is a literature of implied one-upmanship - 'my wheel is better than yours'.

(I think you need to justify the above - where is the evidence?)

A final speculation as to why the discovered EBP paradigm has its current dimensions can be expressed as a simple proposition: 'neglect breeds neglect'. Certain well-established themes within the discipline have developed a literature base and therefore the desirable possibility for cumulative discourse. Put more simply, some areas are both popular and well-populated by scholars. In contrast, the EBP field is unpopular and unpopulated by committed researchers; that is people whose motives are heuristic rather than didactic.

7 The best indicator of mutual unacknowledged readership is the prevalence of the 'no more than 40 pages' prescription when advising on how long entrepreneurial business plans should be. Who first set this particular and seemingly arbitrary prescription? Thirteen of the 38 books in the EBP content analysis sample specifically mentioned 'no more than 40 pages' as a length. Either there is a common unacknowledged ancestor, or remarkable coincidence is at work.
A Dire Prognosis?

The quality specialist journals offer nothing much on which to build. The wildcat realm of seemingly ungovernable 'how to' literature proliferates on its messy way to becoming, as Karl Vesper has said, 'countless'. Worse, the discovered EBP paradigm indicates that the 'how to write a successful entrepreneurial business plan' literature is headed in the direction of not counting for much or being worth counting. Too narrow a concept of EBP's relevance - 'startup venture seeks funds from venture capitalist' together with the presumption of very limited business skills on the part of the audience - damns the recommendations authors produce to a lack of capacity to adapt to the nuances of complex circumstances and investor requirements. In short, this research presents a good case for arguing that insensitive following of the advice of a typical 'how to write a successful entrepreneurial business plan' book is quite likely to result in the writing of an unsuccessful plan. The paradigm is in urgent need of enhancement.

Conclusion: A New Era In EBP Research

The discovery that there is an established Entrepreneurial Business Planning paradigm opens a new field for research within the discipline of entrepreneurship and contains two hallmarks of a new era, one good and one bad.

(1) The good news is generic to scholarship. The discipline now has an explicit, researched, evidential basis on which to advance its knowledge of the Entrepreneurial Business Planning process rather than an implicit, anecdotal, suppositional lack of basis.

(2) The bad news is specific to the contents of the discovery. Even superficial consideration indicates that the discovered EBP paradigm has many flaws. Followed blindly, its inadequate guidance would almost certainly lead to the creation of an unsuccessful business plan (reasons it would be unsuccessful are given above - no need to restate)

In the interests of improving both the theory and practice of entrepreneurship, the discovered EBP paradigm urgently needs to be critiqued and enhanced, a task beyond the scope of this paper; demanding a detailed study in its own right. That task has been performed and is the subject of a companion paper to this one. The researcher hopes that, together, the two studies - discovery of the existing EBP paradigm through content analysis and development of its enhancement through application of grounded theory - may form the basis of an expanding effort of scholarly investigation in the field of the entrepreneurship discipline where we teach the most and research the least.

GENERAL REFERENCES


Carney TF 1972. *Content Analysis A Technique For Systematic Inference From Communications.* London: BT Batsford Ltd.


Vesper, KH 1993b. *Entrepreneurship Education 1993.* Anderson School of Management, UCLA.


APPENDIX ONE

REFERENCES TO WORKS IN THE CONTENT ANALYSIS SAMPLES

List of Works in the Content Analysis Book Sample


**List of Works in the Content Analysis Journal Article Sample**


