Early Career Entrepreneurial Development
Do you have a business plan?

Why is it so important for early career scientists to have a business plan when setting up their lab?

A well-thought-out business plan helps you step back and think objectively about the key elements of what you are trying to accomplish in your lab and informs your decision making as you move forward. It does not have all the answers but is an essential practice.

This essential practice is not as hard as you think. A business plan is a tool that projects ahead 2-5 years and outlines the path that you intend to take to ensure you are financially successful. This is not a one-time document; it will need to be revised each year when you re-evaluate your yearly goals and objectives.

A business plan will help you reach your milestones and helps you take a step back to think objectivity. It also informs your decision making on whether you move forward with certain objectives or if your objectives need to be reassessed. Again, it does not have to have all the answers but should have all the key elements.

It can help you to get funding! Having a plan in place can make those investing in you feel confident in their investment. It can also persuade others that working with you is a smart decision.

There is no wrong way to write a business plan. You can pick a format that works best for you. Most traditional business plans use a standard structure. A standard structure tends to require more up-front work which encourages you to go into detail in each section and focus on summarizing the most important points and key elements of your plan.

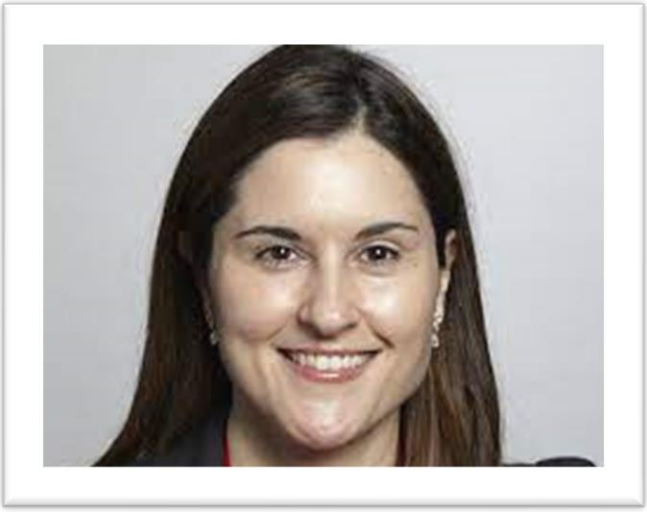
Because knowing where to start can be a challenge, I have developed a Business Plan Template that includes easy steps to follow to help you create a business plan for your future endeavors. **Click here to view the Business Plan Template.**

Keep the following important information in mind while developing your business plan:

1. Different types and sources for salary coverage for faculty (e.g., "hard" vs "soft" money lines, "seed" funding/startup package, clinical, administrative and teaching roles). Importance of knowing in advance the breakdown of salary sources, and whether there are any discrepancies between % salary coverage and actual effort devoted to each activity, or expectations to cover any portion of salary from startup package/seed funds.

2. Projected types of lab expenses and budgeting (e.g., staff/salaries, lab materials/supplies, software/hardware, equipment, experiments, shared facilities). Importance of adequate planning over 3-5 years to ensure availability of appropriate funds for scope of projects. This information on your business plan can be used as a basis for negotiation with department Chairs and other leadership.

3. Understanding of institutional finances and the specific jargon: E.g., clinical revenue, research $ earned by department through indirect costs from grants (IDC, overhead, F&A); teaching $ paid to departments for faculty teaching, philanthropy, restricted vs unrestricted funds.



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