



Don't Burn the Business Plan: The Role of Business Plans for Start-Ups from a Systemic-Evolutionary Perspective

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Abstract: This conceptual contribution attempts to look at the topic of the business plan in a systemic-evolutionary light by comparing and integrating different approaches and empirical insights from literature. As an instrument of rolling planning, the business plan can basically trigger impulses for cognitive- and psycho-cybernetic processes of entrepreneurial learning at different levels in every life cycle's phase. Academically, two important systemic-evolutionary approaches are merged (Theory of Entrepreneurial Learning and St. Gallen's Management Approach).

Keywords: Business Plan, Start-up Finance, System Theory, Evolutionary Learning, Entrepreneurship Education

1. INTRODUCTION

The topics of business start-ups and business plans are closely linked. The business plan is usually seen as an instrument that helps companies to communicate a business project and the associated real and financial forecasts internally and externally in order to convince stakeholders. Against this background, the business plan was considered a kind of "sacred thing" in the field of entrepreneurship education and the consulting scene for many years. For some time now, critical voices have been increasingly heard. According to them, the business plan is now seen more as a hassle and a necessary evil to present to investors, who sometimes insist on it, and less as a suitable tool to bring founding teams closer to their goals in terms of content and emotion.

This conceptual contribution attempts to look at the topic of business plans in the start-up context in a systemic-evolutionary light. Since start-ups with their latently innovative and high-growth projects are specifically imponderable in their early phases, the sense and nonsense of business plans can be illustrated particularly well here. The thesis is that the business plan should be seen as a tool that - depending on the situation - is sometimes more and sometimes less useful. The occasions for writing a business plan vary, so that the necessities in documentation in terms of scope, content and density of argumentation result from the situation. As an instrument of rolling planning, it can trigger impulses for cognitive- and psycho-cybernetic processes of entrepreneurial learning at different levels. Of course, a business plan in itself is no guarantee of success, but it can grow over time with the enterprise and thus be used continuously for a deepening planning basis of normative, strategic and operational decisions.

2. BURN THE BUSINESS PLAN?

2.1. What Actually is a Business Plan?

First of all, the question should be allowed at this point: What actually is a business plan? - This question is easier to answer than the question of the meaningfulness and the necessary planning intensity. A business plan is used to set out a company's intentions, strategy, finances and goals in a clear and structured way. It is a written document that provides information about the results of a modelling and planning process: business idea, founding team, market analysis, strategy, marketing mix, business system, financial data as well as opportunities and risks are related to each other. In this way, various areas of business administration, statistics and jurisprudence are condensed into a planning document that can be used as a communication medium for founders (for self-reflection) and

for the acquisition of investors and other stakeholders. For this purpose, forecasts regarding the development of profitability, liquidity and - related to this - investment and financing needs must be prepared, usually for several years. In the process, the scope and form of business plans has changed over the years to meet the changing demands and expectations of business[1].

When one speaks of the business plan in a narrower sense, it usually means a *complete business plan* that covers all important aspects of the enterprise or project on the above-mentioned topics and describes and substantiates them in detail. This is often accompanied by 30 to 40 pages of text, escorted by an appendix that can be 100 pages or more. Many misinterpretations and misunderstandings in the discussion about the usefulness of business plans can be explained by the often ambiguous definition [2]. Without a prior definition, many people implicitly always assume a complete business plan when talking about this business management tool. In a broad sense, however, other forms of business plan can be distinguished. A shorter business plan, known as an *executive management summary*, focuses on the most important information and is usually a much smaller version of the full plan. It usually includes an executive summary, company profile, key objectives and strategies, financial projections and a rough timetable. Short business plans are often used internally for company management or for presentations at pitch competitions. Other sub-forms exist, such as *operational plans* that focus on daily operations, production processes, supply chain management and other operational aspects, or *marketing plans* that provide information on target audience, competitive analysis, advertising and sales strategies and budgets. This plan helps define a company's marketing and sales strategies. A *financial plan*, on the other hand, focuses exclusively on the financial aspects of the business, such as revenues, expenses, budgets, forecasts and financial ratios. It can be prepared as a stand-alone plan or as part of a complete business plan.

In addition to these classic sub-forms of the business plan, which can be used for almost all companies, regardless of their life cycle phase and degree of organisation, there are further sub-forms that are often used in the start-up or founding context. For example, so-called *one-pagers* are used as a preliminary stage of an executive management summary. These are extremely compact versions of business plans and focus on the very essential aspects. They are often summarised on a single page and include key information such as customer problems, solutions, channels, revenue sources and cost structure. A *pitch deck*, on the other hand, is a presentation used to convince potential investors or prospects of a business idea, start-up or project. It is often used after a pitching event to provide interested investors with information in a somewhat detailed form after the pitching. As a rule, it is a visually appealing and compact presentation that is reduced to the essentials and usually consists of 10 to 20 slides [3]. The main objective of a pitch deck is to arouse the interest of the audience and encourage them to obtain further information or to invest in the company presented. In a very broad understanding, many *canvas variants* can also be interpreted as a business planning document. Following the famous business model canvas those tools try to visualise a planning logic almost entirely on a canvas page[4]. The main focus is on the basic revenue and cost mechanics, as the monetisation of a business idea. Many such attempts exist to initially conceptualise a business idea as a business model in this simplistic way[5], [6], such as Lean Canvas, Triple-Layered-Canvas, Platform Canvas or Social Canvas.¹

2.2. Critical Voices on the Business Plan

Critical voices have been heard for some time, especially with regard to the intensity of planning and the timing of planning as well as the associated expectations of the actors involved. Sahlman, who as a Stanford professor was able to follow and accompany the development of countless start-up companies, already expressed his sceptical attitude already in the 1990s. On the basis of a large number of questions for reflecting on business management interrelationships, he does indeed demonstrate the fundamental meaningfulness of the planning logic. At the same time, however, he also points out the problem that business plans tempt people to write unconvincing, clichéd phrases and are hardly suitable and perhaps even harmful as a genuine forecasting instrument for practical use.

¹ In both academic and practical contexts, a triad has emerged for the systematic consideration of the processes from idea generation to implementation, which can be represented ideally as a sequence of business idea, business model and business plan.

For example, Sahlman argues that on a scale of one to ten, business plans should at best be assigned a value of two when it comes to evaluating how well they predict success. Sometimes the opposite is true[7]. In essence, this statement expresses what has become increasingly perceptible in recent years in terms of critical voices on the subject of business plans.

- The business plan represents a kind of "squaring of the circle" (planning of unpredictable success stories) and triggers fears in the course of exaggerated planning ideas;
- The creation of the business plan, but also its undifferentiated use in the context of entrepreneurship education, can go hand in hand with an affinity for planning - which is very dangerous for entrepreneurial concerns - as it promotes linearity rather than creativity in thinking;
- Writing the business plan takes too much time, costs money (e.g. in the form of opportunity costs, consultancy services) and takes up too much space in terms of content that would be required for other topics (creativity, modelling, customer approach, etc.);
- Hardly any founding team needs significant capital from investors in the early stages of the start-up project, so that the business plan logic overloads the founder qualification with ballast.

The fact is that most businesses do indeed start without a detailed, complete business plan. It is the normal entrepreneurial case that businesses are often founded on a small scale, frequently as a sideline, often to test an idea or the entrepreneurial skills, without wanting to take advantage of external financing as long as this test phase has not been successfully completed [8]. The decision-making logic in situations fraught with uncertainty, which Sarasvathy calls effectuation and which she often observes empirically, initially attempts to avoid the dependencies associated with external resources until the lucrativeness of the venture becomes apparent to all actors and a causal business plan logic becomes necessary (causation) [9]. In the lean start-up approach discussed by Ries, a complete business plan is required at the proof-of-concept stage at the latest, when so much market experience has been gathered and processed in the course of hypothesis tests and feedback loops that a high level of funding is required for scaling via readjustment to new circumstances [10]. Thus, a complete business plan may still be important at some point, when companies (especially start-ups) need to underpin the access to external resources required for growth processes with external financing after they have advanced the business model in an evidence-based manner. According to this, the business plan is then basically still be regarded as a necessary evil to be presented to investors and less as a suitable tool to bring founding teams closer to their objectives in terms of content and emotion. Often, statements then can be heard from start-up circles that go something like this: "After the successful loan approval, we burned the business plan for the time being - it was all just science fiction anyway and basically made-up nonsense so that we could get the financing". – How can such an assessment be evaluated from an academic point of view?

3. SYSTEM THEORY, MANAGEMENT, AND ENTREPRENEURIAL LEARNING

3.1. System Theory, Hayek and Knowledge

The origins of systems theory go back to the 1950s and 1960s. The biologist Ludwig von Bertalanffy wrote a general systems theory which, on the basis of methodological holism, seeks and formalises common laws in physical, biological and social systems. Together with him, Norbert Wiener and Ross Ashby are among the pioneers of so-called cybernetics, a general approach that focuses on the possibilities and limits of controlling different systems, establishing and analysing isomorphic relationships between different disciplines of the natural and social sciences. Two main directions can be cited here: First, first-order cybernetics, which analyses the limits and possibilities of the (self-) control possibilities of complex systems. Secondly, second-order cybernetics, which deals with the role of the observer of systems and the associated significance for the understanding of the system [11], [12].

A first systemic-evolutionary view based on first-order cybernetics can be derived from Friedrich August von Hayek's connection between complexity in market processes and the emergence of knowledge. Complexity and complexity management are the central themes of the systemic-evolutionary considerations [13]. Hayek takes up Adam Smith's classic idea of the "invisible hand", which deals with the self-organisation capacity of a market system on the basis of self-interest. The cybernetic processes take place through recursive interactions of the actors, which are guided by the information effect of the price system. This signalling effect of prices represents the subjective understanding of the value of goods and triggers cybernetic processes at various system levels through the regular revaluations and revaluations by market actors over time. According to Hayek, systems can generally be characterised by the fact that they are subsystems of a more comprehensive system ("hypersystem", e.g. company vs. market).

According to Hayek, in the study of complex market phenomena that depend on the actions of many individuals, all the circumstances that influence the outcome of a process on a macro- and micro-level will hardly ever be fully known or measurable. Due to the complexity of the system-to-system relationships, whose characteristics change continuously, only "pattern predictions" are therefore usually possible. Competition serves as a "discovery process" and prices function as "scarcity indicators" to ensure an effective allocation of resources. Following Hayek, the decentralised price mechanism and competition - against a systemic background - are thus effective instruments for reducing complexity in order to condense hard-to-communicate, implicit knowledge, complex information, interests, etc. into willingness to pay and compensation demands. Rights of action in the form of abstract rules of conduct, norms and laws, which prove themselves in a similar way to scientific theories, are of central importance in this context - even though they predominantly emerge unconsciously - because they lead to the formation of such an order of the independent activities of individuals. This also goes hand in hand with the fact that complex systems cannot be controlled at will, since every intervention can result in many unforeseeable ones. With his systemic understanding, Hayek has in particular strongly influenced the St. Gallen management approach (chapter 3.2) and also the evolutionary understanding of entrepreneurship (chapter 3.3).

3.2. St. Gallen Management Model

In management theory, the first-order systemic view has gained great academic and practical significance, especially in the context of "corporate management", which has found its way into the standard literature on corporate management in a pioneering way until today in very common teaching formulas. Very wellknown is the St. Gallen Management Model, which (partly based on Hayek's ideas) was developed in the 1960s at the University of St. Gallen and sees itself (until now) as an approach to a systemic-cybernetic management theory. The St. Gallen management approach focuses on the importance of a holistic view in business management, as organisations should be seen as complex systems in which different parts and elements are interconnected. This holistic view makes it possible to understand the interactions and interdependencies within the organisation. Against this background, the division of the tasks of corporate management into three levels has gained great importance: normative, strategic as well as operational management [14], [15], [16].

In the context of *normative management*, the systemic approach aims to always consider corporate development and growth decisions against the background of different perspectives (and complexity structures) and thus to keep an eye on the "inner maps" and interests of the stakeholders and shareholders involved. In a company, the issues of corporate constitution, corporate governance and corporate culture are the control variables in terms of action law. This is especially true if the typical case is that the property rights do not lie solely with the shareholders, but are (at least partially) delegated to a specialised management.² As the company grows, the need for action-law regulations of normative management increases in importance, as the stakeholder structures become larger and the danger of complexity traps increases. Furthermore, companies should therefore have clear values and ethical principles that serve as guidelines for decisions and behaviour as well as the establishment of a learning organisation that focuses on continuous learning and adaptation. This anchoring is

² It requires an effective governance structure and compliance regulations to avoid a "Wirecard" case in large companies or a "Theranos" case (in the start-up context).

central in dealing with a daily reconstituting environmental complexity that requires readiness for change in various forms of change management in the company. Companies should be able to learn from experience and adapt to changing circumstances.

In the context of *strategic and operational management*, the St. Gallen management approach is based on cybernetic considerations of the importance of recursiveness, feedback and hierarchy of control. Long-term strategic target dimensions - formulated from the upper levels of strategic management - and rather short-term, operational objectives whose implementation lies in the area of competence of the lower management level, establish the target specifications for the orientation of the company. The process chain "planning" - "decision" - "implementation" - "control" triggers a control loop of corporate management and thus a rolling system over time based on target-performance comparisons. Ideally, the motivating and disciplining function of goals for an imaginary future can be linked with the adaptability to the imponderables of real everyday events. Management is seen as an ongoing process that includes various phases and activities. This process contains many aspects of business planning and is iterative over time and requires - following the ideas of first-order cybernetics - continuous adaptation to changes in the environment.

3.3. Entrepreneurship and Evolutionary Learning

An application of system theory with a special focus on the field of *entrepreneurship* can be found in Jochen Röpke's work. His earlier work is predominantly based on the system-theoretical understanding of first-order cybernetics and examines the interaction of the systems "individual", "organisation" and "market system" in the innovation context. In bringing together the theoretical ideas of Hayek and Schumpeter, Röpke crystallises the personal factors of "competence" and "need for achievement" as central variables of action in a framework given by "rights to act". In this way, recursivity and feedback effects make it possible to determine whether and to what extent the systems favours innovative action within a "turbulent environment". Behind this view is Ashby's law "Only variety can control variety". Evolution can thus be understood as increasing one's own system variety in order to cope with the challenges of a turbulent, complex environment [17], [18].

In his later publications, Röpke integrates the second-order cybernetics by using the functional approach for the analysis of entrepreneurial systems in the process of economic development dynamics - following representatives of radical constructivism [19] - for the analysis of autopoietic entrepreneurial systems [20]. According to Schumpeter and Kirzner, he distinguishes between the routine, arbitrage and innovation function at the market level and the evolution function at the resource level. In order to successfully master the specific challenges of the market exploitation of innovations and to put an innovation dynamic that has been set in motion to the test over time, it is necessary to maintain or increase an entrepreneurial energy level through the development of skills and motivation in the personal and organisational context.

To this end, Röpke accentuates the important role of consciousness in order to raise an understanding for the unconsciously occurring routines and errors in everyday life, but also for the question of individual and collective goals, in order to cognitive- and psycho-cybernetically processes [21] for implementation and application in everyday business life. In order to become and remain capable of surviving and acting in a dynamic competitive environment it is therefore necessary, in addition to the traditional forms of learning (knowledge acquisition, experience in the context of application; see fig. 1: learning levels 0 and 1), to continuously address those learning levels that address reflection and implementation competence (see fig. 1: learning levels 2 and 3). At the same time, this is also the pedagogical basis for the field of Entrepreneurship Education.

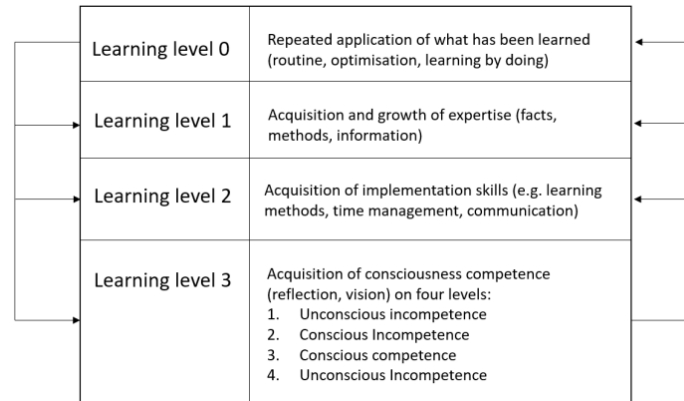


Fig. 1 Learning level model

The focus here is on calling unconscious facts and incompetence to consciousness as an entrepreneur or founding team: Why do we want to grow and in which direction should the entrepreneurial path lead? What is the visionary perspective for a sustainable, prosperous world in the future? What is the underlying value system? Who will decide today on the decision-makers of the future? In answering such and similar questions, conventional learning (learning levels 0 and 1) and evolutionary learning (learning levels 2 and 3) must be intertwined.

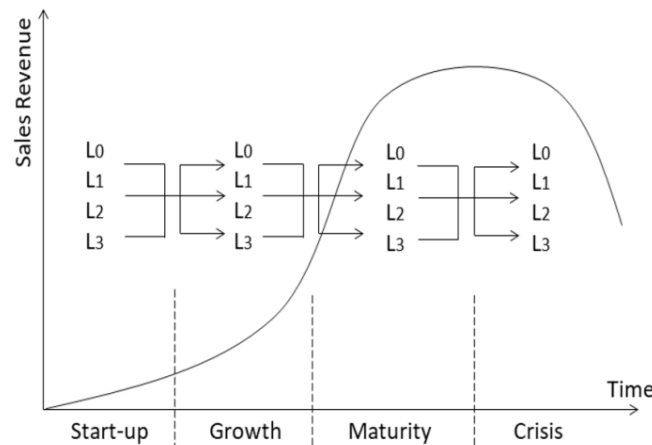


Fig. 2 Learning in the life cycle

At the same time, in a systemic context, it is also relevant to develop the necessary implementation competence to translate the favoured value system and the desirable vision into everyday operations, i.e. to convert conscious incompetence into conscious competence. At this competence level, aspects of creativity, communication and time management become significant in order to rethink things, to communicate them credibly to internal and external stakeholders and to keep the important things from becoming procrastination. This view is also linked to the fact that the future reality or reality of economic and social events - visions, mission statements, strategy options - is created through entrepreneurial thinking and action. This form of evolutionary competence development is the starting point for innovation and competitiveness over time (see fig. 2).

4. THE BUSINESS PLAN IN AN SYSTEMIC-EVOLUTIONARY LIGHT

4.1. Business Plan as a Rolling, Steering Instrument

First of all, it should be noted that planning knowledge in a dynamic competitive environment - especially in situations of real uncertainty [22] with high complexity - is difficult to decentralise, as it can only be experienced or made usable through the discovery process in competition (and possibly associated plan revisions over time). With the process of knowledge discovery, the drafting and planning intensity of business plans must also be reconsidered in terms of type, scope and timing, especially since there is no or hardly any centralisable knowledge available for the drafting of a multi-year business plan, particularly in the pre-founding and start-up phase.

So if a two-person software team is dedicated to a business idea of creating innovative software for effective property management and prepares an 85-page business plan with many forecast details for it without being able to fall back on customer contacts, let alone first reference orders ("tractions"), then this involves various problems. The permanent reflection on possible forms of the product idea or business model (learning level 3), detached from market experience knowledge on learning level 0 (application) and learning level 1 (classification in the knowledge context at a certain point in time) actually leads to planning credulity and – with reference to a terminus of behavioural economics – “control illusions”[23]. With the experiential shock of a first customer meeting, it can happen that many product features are judged to be superfluous or of little use, or otherwise do not (yet) fit well into the customer's understanding of reality. This experiential knowledge would then have to be painstakingly cascaded throughout the planning document, as the subject areas of the business plan are now interlinked in a complex way.

Testing competitive hypotheses in the marketplace is tantamount to a falsification test. Systems such as economies, companies or entrepreneurs cannot be arbitrarily planned, controlled and "pulled" to successfully deal with uncertainties. The lean start-up approach and the effectuation approach for evidence-based development of a business model, which are very well known in the entrepreneurship context, can be interpreted in this systemic light (especially in the sense of Hayek), for example, as rational, evolutionary knowledge processes. The purpose is here of bringing more visibility into the "fog of uncertainty" through the gradual uncovering of knowledge and transforming weak signals into increasingly intensive planning. Seemingly clumsy mechanisms, such as in particular the involvement of informal investor circles, which appear time and again in the financing for the implementation of entrepreneurial projects (e.g. bootstrapping, business angels) and thus often pave the way for the use of external financing in the first place, are an expression of evolutionary patterns of self-organisation based on the division of labour, which have proven to be particularly appropriate for the specific circumstances and situations [24]. Competitive application then provides those weak signals in the form of prices, customer feedback or KPIs from Scaling Lean [25] or Lean Analytics [26] which help to bring to light the decentrally distributed, proven or falsified knowledge and to hold on to it or internalise it. This enables entrepreneurial knowledge management, which can serve as a foundation for rational decisions in the entrepreneurial handling of ever new market signals on a normative, strategic and operational basis (to use the famous triad of the St. Gallen management approach here). On this basis, cognitive- and psycho-cybernetic processes can then be initiated step by step with the inclusion of learning levels 2 and 3 until the "fog of uncertainty" is cleared via the iterative feedback loop. A "proof of concept" can then be considered a valid preliminary stage for scaling up and raising larger sums of funding, for which causal logic and a rolling, more comprehensive business plan then become necessary.

However, at the very beginning, in the pre-founding phase, a few sketches and statements may be enough, since the business idea and the business model are revised almost daily and pivoting determines everyday life. In fact, e.g. canvas methods are usually better suited for this. But a one-pager or an executive management summary - an abbreviated plan with five to six pages - can also be helpful here in order to create consensus in the team through this form of writing down the plan and/or to warm up the first stakeholders in the entrepreneurial environment, e.g. to convince suppliers to grant payment terms. The more mature the company becomes, the more important and comprehensive the business plan should become in order to provide evidence-based support for the planning horizon and to derive forecasts from it, which of course remain fallible. After all, the company can now look back on a history that has gone hand in hand with evidence-based processes. The KPI system can also develop step by step, e.g. from a small and specific number of KPIs, which serve as a cockpit in the company's early phase, to a system of the type "balance scorecard".

The comparison of former plans in the pre-founding stage with the real facts that later emerged repeatedly lead to "burn the business plan" statements and similar, amusing anecdotes. As a ritual to strengthen the inner team core - often combined with the vow never to write a business plan, even as a soon-to-be Unicorn - this may be helpful. Nevertheless, it is associated with an illusion that start-ups in particular later experience in the form of the famous "growth pains". With increasing market success, the information demands of the various stakeholders increase in terms of quantity and quality, and with them the planning needs of start-ups in the progressive process of company

development. The business plan is increasingly gaining its importance as a reflection and communication tool internally and externally, and entrepreneurs had *better internalise this in a serious way right from the start in the early stages* and also train themselves to this end within the framework of abbreviated planning documentation.

Internally, the business plan then supports the steering function in strategic management for the definition of an increasingly complex normative basis and the strategic and operational goals together with the corresponding capacity and budget considerations. Accordingly, it should be understood as a "rolling system" that can trigger cognitive- and psycho-cybernetic processes. Externally, the stakeholder circles become larger, since increasing output growth (turnover, profit, etc.) is accompanied by more input in terms of production technology. In addition to the increasing number of customers, more complex stakeholder structures also emerge within the company: corporate interdependencies increase through M&A activities, organisational charts acquire greater management depth and span, corporate constitutions (and thus also decision-making processes) become more complex through the inclusion of additional investors ("cap table"), the formation of supervisory boards, etc., relations with the financial sphere expand and bureaucratic structures become more extensive [27].

In order to be perceived as a viable, trustworthy institution in these numerous contractual and social relationships, the business plan in combination with the financial statements (or as an integral part of external accounting) is an important communication tool. In view of the increasing importance of ESG criteria, the authentic communication of credibility and multidimensional sustainability is elementary, for example, in order not to be accused of green washing. In order to penetrate the stakeholders' understanding of reality, the transparent definition of terms and KPIs, assumptions about the future development of important parameters (e.g. prices, sales, personnel) and associated conclusions (e.g. sales, costs) are elementary in order to enable a plausibility check against the background of the specific "inner maps" of the stakeholders.

Fig. 3 illustrates this process in a very simplified form from the perspective of a start-up in the pre-founding phase (t_{-1}) and after its foundation (t_1). The assumptions made and conclusions drawn in t_{-1} for the periods t_1 to t_3 did not prove true for t_1 . The assumptions and conclusions made in t_1 regarding prices, sales and turnover are revised for t_2 and t_3 (and of course the subsequent years) on the basis of the target/actual comparison in the course of reflection and an intended realignment.

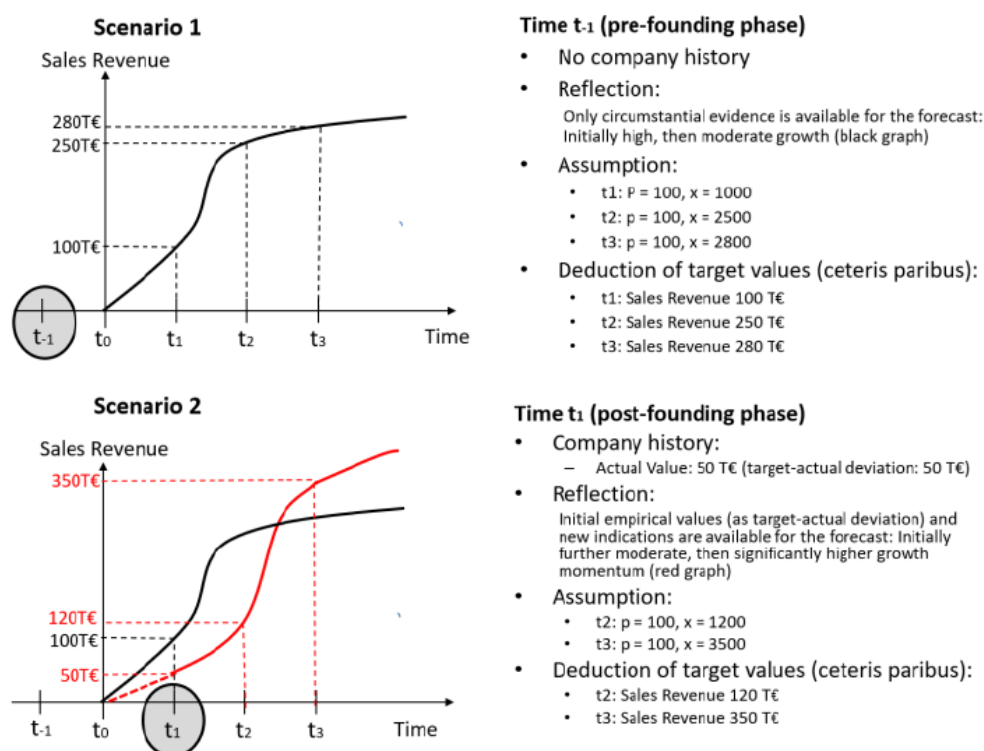


Fig. 3 Rolling planning and evidence-based approach

4.2. Impulses for Cognitive- and Psycho-cybernetics

In contrast to the above example (85-page business plan), let us assume as a further extreme case that two people form a team to place a high-tech product on the market in order to strive for ambitious growth. The two founders read in textbooks and hear at start-up events that a bootstrapping approach is advisable. They advise against elaborate business plans and the early use of external financing. Rather, they say, effectual methods and/or lean start-up methods are needed to test out the business model, product and team play and back them up with an evidence base with which to then drive the business forward. The founders focus on applying the effectuation principles or elements of the lean start-up process and are busy "around the clock" producing traction, conserving liquidity, initiating networks and doing all the tasks that arise (including bureaucratic ones). The planning required for this is spontaneous, situational and impulsive - there is no time for a business plan. So let's assume that the focus in this case is extremely placed on learning levels 0 and 1.

It is known that bootstrapping can provide evolutionary impulses, as enduring the financial drought in the "valley of death" often requires so much heart and soul and commitment that it forms the team with its canon of values into a "robust unit" that is well equipped for more complex contractual relationships in the growth process. Investors also perceive this form of bootstrapping as a credible signal and often require this for an investment, since own contributions and the contribution of own financial resources for the first tractions are associated with high bonding costs [24].

However, bootstrapping can also block growth processes without a continuous, rolling reflection of past periods and their results with regard to future orientation. The time for shifting to a growth course *can be missed if the routine logic of learning levels 0 and 1 is not systematically linked to learning levels 2 and 3*, i.e. an awareness of the classification of experience values for normative, strategic and operational orientation and the associated enforcement of new orientations (pivoting) is missed. These aspects are in fact again accompanied by new criteria for the formation of new KPIs, which are then used as benchmarks in the context of implementation and control at learning levels 0 and 1. Without the successive delegation of routine tasks (e.g. bookkeeping, tax returns), the capacities that enable sufficient reflection do not arise, it resembles a dilemma: the daily and weekly schedule is filled more and more by ever more effectual procedures and market experiences, time capacities for the conscious reflection of actions (learning level 3) and the acquisition of assertiveness competence (learning level 2, e.g. time management) are lacking because "you have a lot to do".

This "evolutionary trap" can only be escaped if the efficiency logic is broken in favour of the effectiveness logic. In the systemic-evolutionary process of rolling planning according to Peter Drucker, "doing the right things" (learning levels 2 and 3) must always be centrally woven into daily activities and linked with the efficiency logic of natural routines (learning levels 0 and 1: "doing the things right"). For growth orientation, the following complexes of questions, for example, should be raised from a systemic-evolutionary perspective and integrated into everyday life in order to trigger cognitive- and psycho-cybernetic processes:

- What kind of system formation will be relevant in the future?
- Who are the actors involved in the goal formation and decision-making process of a company and which set of rules is relevant for the implementation of the goal achievement?
- Who will these actors be as the cap table or group of shareholders grows?
- What do these central actors derive from their understanding of the system in the long and short term?

Whether these aspects should all be written down in the very early stages via a detailed business plan is questionable, but a growing planning documentation that also functions as a manifesto and vow for the team itself - as a mission statement or vision board - can strengthen reflection and communication (learning levels 3 and 2) internally and externally in any case. At the very least, a one-sided focus on application, trial and error, and a focus on quick successes and subconsciously running routines while effectually poking in the fog of the "keep it up" type is problematic. Those who spend day and night in application in the context of a 100-hour week should not be surprised if the energy and awareness to make enforcement effective are lacking.

These considerations show that there is a connection between the cybernetic considerations of the St. Gallen management approach and the cybernetic considerations of entrepreneurial learning on various levels. Fig. 4 shows that the systemic considerations of first- and second-order cybernetics can be thought of together. Through this comprehensive conception of a systemic evolutionary control loop, the importance of the business plan also becomes clear, as it can unfold its effect - adapted to the type and scope of the company phase and situation - as a sounding board and impulse generator for continuous entrepreneurial learning and thus supports the control loop of corporate management.

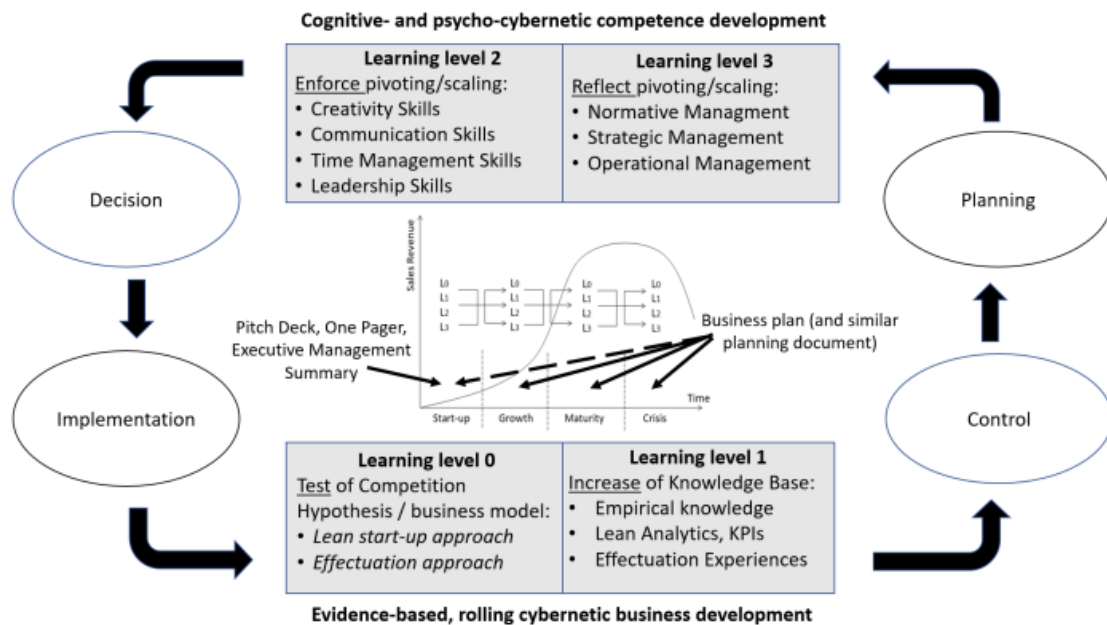


Fig. 4 Business plan and systemic approach

5. CONCLUSION

A more enlightened new view expresses that a business plan, just like the company itself, should evolve, i.e. adapt to the respective stage of development. The business plan is thus rather the concrete result of evidence-based business model development, an expression of rolling planning for business management and at the same time a kind of application letter for different occasions. Thus, the business plan should be seen as a tool instead of burning it prematurely. A planning document is depending on the situation - sometimes more and sometimes less useful.

The decisive factor is the type of use for entrepreneurial learning processes. The occasions for writing a business plan vary, so that the necessities for documentation in terms of scope, content and density of argumentation result from the situation (i.e. phase or concrete occasion). In practice, different forms and formats have proven successful, for example as a shortened version in the form of a pitch deck or an executive management summary. With the technical possibilities of IT, software and especially generative AI (e.g. ChatGPT), the effort required to create an increasingly complex and larger business plan document can nowadays be reduced enormously. With regard to internal use, the business plan is also repeatedly attributed positive characteristics, as the business plan forces the founder to think about his or her future direction in very detailed form. Through the catchy business management system, problem areas are to be uncovered in order to clarify and consolidate the common vision in the process of creation and the associated interaction in the founding team. In this way, evolutionary impulses can be released to mobilise implementation energy, accompanied by an awareness for making and implementing decisions.

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