The Learning Activity “The Elements of a Business Plan,” the article provides information on some common business plan errors. One of these errors is Making Unrecognized Assumptions. In reflecting on why this error is critical to avoid in a business plan one might realize that assuming things are facts when they are not will contribute negatively. If one treats assumed information as a fact, one will not plan for situations where assumptions are proven incorrect. Maybe customer forecasts are off or, expected revenue isn’t reaching projected goal. If no plan is created to handle such contingencies the business may fail

There are several actionable items that may ensure that a business plan does not contain this error. First, try to recognize assumptions and then separate assumptions from facts. Then create contingency plans for each possible problem. One great way is to use a Scenario Forecasting Method and a Scenario Analysis to see just what will happen in each scenario. Secondly, one might set aside an emergency fund to cover expensed if things don’t go as hoped. Lastly, research research research. The more information one has on a certain type of business in a specific community will help prepare one for unforeseen events.