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Article

Developing a Conceptual Framework for Business Plan Drafting: Insights from Practitioners

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Abstract: Background: A business plan (BP) is an essential tool for companies, supporting strategic planning, financial acquisition, and stakeholder communication. Despite its importance, BP drafting lacks a standardized approach in both academic research and business practice. This study aims to develop a conceptual framework for BP drafting by integrating theoretical perspectives with empirical insights from practitioners. Methods: A qualitative research design was employed, involving 15 semi-structured interviews with experts from banks, companies, consultancy and audit firms, and investment firms. Data were analyzed using the Gioia methodology to identify recurring themes and patterns in BP drafting practices. Results: Findings reveal the absence of a universal BP standard, but highlight common principles regarding structure, authorship, and time horizons. Most BPs adopt a structured yet flexible approach, combining strategic top-down guidance with operational bottom-up input. The predominant time horizon is 3–5 years, with longer periods in capital-intensive industries. External BP auditing is uncommon, except in M&A and investment contexts. ESG considerations are increasingly relevant but inconsistently applied. Conclusion: This study contributes to the literature by proposing a structured BP drafting framework that bridges the gap between theory and practice. Practical recommendations are provided to enhance BP quality and methodological rigor.

Keywords: business plan; planning; Gioia methodology; conceptual framework; qualitative research; Environment Social Governance (ESG)



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1. Introduction

A business plan (BP) is a structured document that outlines a company's objectives, strategies, financial projections, and organizational structure (Brinckmann & Kim, 2015). While the BP is traditionally associated with new venture creation and fundraising (Latifi et al., 2024), its role has evolved significantly, now serving as a strategic tool in various business contexts. However, scholarly research has not kept pace with these changes, leaving gaps in our understanding of its broader application (Dana et al., 2023). As described by West (1995), a BP provides a systematic approach to addressing future challenges by defining both short-term actions and medium- to long-term strategies.

Despite its widespread use in corporate and entrepreneurial settings, the academic literature lacks a well-defined theoretical framework that explains the underlying principles of BP formulation, implementation, and impact on business performance. While BPs are generally perceived as essential for navigating uncertainty, planning departments are often the first to be downsized during economic downturns (Mintzberg, 1993). Some studies, however, have found a positive correlation between corporate planning and organizational performance in both large and small firms (Ackelsberg & Arlow, 1985; Hamann et al., 2023). Yet, there remains a lack of empirical research exploring how practitioners—both BP

preparers and users—perceive and utilize this tool in different business contexts. Despite the assumption that greater formalization in BP drafting enhances financial performance, West (1995) cautioned that an ineffective BP—one that is overly complex, inaccurate, or impractical—fails to deliver meaningful results.

The evolution of business environments, particularly in the wake of rapid technological advancements, globalization, and financial market volatility, has further transformed the role of BP. Beyond securing investment, businesses now use BPs for purposes such as strategic planning, corporate restructuring, business expansion, and mergers and acquisitions. However, despite this shift, scholarly research has not thoroughly examined these evolving uses of BPs, leading to an academic gap in understanding its contemporary relevance.

Given the diverse applications of BPs, we seek to determine whether a conceptual framework for BP drafting can be established (Rocco & Plakhotnik, 2009). If so, what key elements and core principles should such a framework include? Additionally, we aim to explore how practitioners use BPs in real-world scenarios and whether academic research sufficiently addresses their practical needs.

To explore these research questions, we conducted a literature review (Hiebl, 2023) followed by 15 semi-structured interviews with professionals involved in BP preparation and evaluation. These respondents, representing companies, banks, consultancy and audit firms, and investment firms, provided insights into real-world BP practices. Empirical research plays a crucial role in shaping theoretical advancements, as practical observations often generate new perspectives that evolve over time.

To ensure methodological rigor and derive a potential BP framework, we analyzed and coded interview responses using the Gioia et al. (2012) methodology. This involved 1. Identifying first-order concepts based on participants' statements; 2. Grouping them into second-order themes to derive theoretical insights; 3. Aggregating them into higher-order dimensions for a conceptual framework.

Despite its limitations, this study contributes to the existing literature by providing empirically validated insights into BP preparation. Our proposed conceptual framework not only synthesizes key theoretical perspectives but also integrates practical considerations, filling the gap between academic theory and business practice. Furthermore, by considering recent changes in business environments, we offer an updated perspective on the contemporary relevance and applications of BPs.

The remainder of this article is structured as follows: Section 2 reviews the theoretical perspectives on BP and highlights key elements of BP preparation. Section 3 explains the methodology used in this study. Section 4 presents the findings from our analysis. Section 5 discusses the results in relation to the existing literature. Finally, Section 6 concludes with key insights, implications for scholars and practitioners, and recommendations for future research.

2. Theoretical Framework

2.1. The BP from a Conceptual Perspective

A BP is a document through which a company traces the evolution of its strategic activity and outlines the expected economic, financial, and equity results (West, 1995). In practice, the BP is the main tool used to justify the request for initial or additional capital from banks or investment funds (MacMillan & Narasimha, 1987; Latifi et al., 2024). In the economic literature, institutional theory and contingency theory are the most recognized approaches to BP preparation (Brock, 1995; Karlsson & Honig, 2009). According to institutional theory, institutional pressure (Oliver, 1991) plays a crucial role in a company's decision to draft a BP that can, at times, assume a value that is more formal than substantial, especially in less structured and weaker managerial contexts (Honig & Karlsson, 2004).

The forces that lead to the drafting of a BP can be either internal (e.g., the entrepreneur, managers, employees, and collaborators) or external (e.g., banks, investors, suppliers, customers, local communities, and state bodies) (Karlsson & Honig, 2009). According to this approach, a BP is a tool designed to help a company gain legitimacy, develop links and communication with (mainly external) stakeholders, and obtain resources (Delmar & Shane, 2004). Despite this, a BP may nevertheless prove to be an inadequate instrument, especially if it is not sufficiently updated as market conditions and situations change, or, more simply, a discrepancy may develop between the development plan contained therein and the objectives, as well as strategies that are concretely implemented (Karlsson & Honig, 2009; Watson & McGowan, 2019). Such cases constitute a situation of loose coupling, in which the drafting of a BP becomes merely a symbolic and marketing activity, allowing one to respond to institutional pressures; simultaneously, everyday business operations are isolated from the constraints and forecasts of the formalized plan (Karlsson & Honig, 2009).

Conversely, the second theoretical approach, contingency theory, revolves around the idea that although there is no standardized and certain way to follow the management tools of a company, make decisions, acquire financial resources, and formulate strategies, the course of action that is undertaken is contingent and, therefore, dependent upon internal and external factors of various kinds (Anwar, 2015; Brock, 1995), such as the sector and the market, customer habits, the strategies pursued, and the product life cycle (Brock, 1995). Moreover, according to this approach, an organizational system must adapt to the context to be efficient, which is possible because the contingent factor and organizational system are associated in such a way that a change in the contingent factor necessarily determines a change in the organizational system as well. Moreover, a good alignment between the contingent factor and the organizational system positively influences overall performance. This also considers the four factors of the context of a business planning system identified by Hamann (2017): the philosophy of management and planning, organizational dimension, environmental uncertainty, and interdependence of tasks.

The literature on BPs also points to a contrast between the so-called “learning school” and “planning school” (Wiltbank et al., 2006). Proponents of the learning school believe that the BP drafting process is often a waste of time and resources that are being diverted from other uses, such as designing new products and finding new customers. This strand of thought supports an adaptive approach to strategy development, which can emerge without following a formal and explicitly predefined plan (Mintzberg & Waters, 1985). This would allow rapid action and seizing of emerging opportunities, even with high environmental uncertainty, where formalized planning with predefined actions could create internal rigidities (Brews & Hunt, 1999; Brinckmann et al., 2010; Welter et al., 2021). This school of thought has a close relationship with contingency theory.

On the other hand, the supporters of the validity and usefulness of a BP (also known as the planning school) highlight its potential as a strategic asset that allows the collection and dissemination of knowledge to formulate strategies and involve stakeholders. This school of thought is based on the assumption that planning generally increases the effectiveness of the actions implemented and facilitates the achievement of objectives (Delmar & Shane, 2003). Moreover, planning facilitates communication with internal and external subjects (Brews & Hunt, 1999; Brinckmann et al., 2010; Mariani et al., 2019).

Some researchers have attempted to bridge the gap between the learning approach and the planning approach, proposing a vision of a strategy based on a rapid decision-making process that allows for a quick reaction to environmental changes while maintaining many strategic processes typical of planning and working on the so-called dynamic capabilities, thus arriving at a “planned adaptation” (Wiltbank et al., 2006).

In the academic literature, even though the importance of planning the essential tasks of managers to achieve the desired objectives at the level of performance has been acknowledged, the limits and pitfalls of incorrectly made, exaggerated, or ineffective plans have also been discussed (Sahlman, 1997), so that in the presence of solid market instability and environmental turbulence, the degree of depth of analysis, and the type of tools used, become key elements (Gruber, 2007).

From an empirical point of view, several studies have tested the relationship between planning and performance, many of which indicate that planning brings benefits while considering context factors such as the newness of the enterprise, its cultural context, or the need to provide financial resources (Brinckmann et al., 2010; Welter et al., 2021; Marta et al., 2024).

Indeed, Upton et al. (2001), in their study on 65 fast-growth family firms, found that the majority prepared written formal plans to foresee performance and manage compensation.

To a positive correlation between planning and performance also comes a recent study by Hamann that, after comparing 183 independent studies, concludes that corporate planning always has a positive effect on business performance, moderated by the organizational context, such as sector and size (Hamann et al., 2023).

Kraus and Schwarz (2007), in relation to a panel of 468 Austrian SMEs, found that pre-start-up planning (i.e., a written business plan prior to enterprise foundation) is beneficial for company success (growth of full-time employees).

In the opposite sense, the study of Lange et al. (2007) in relation to new ventures started by Babson College between 1985 and 2003 found no difference between the performances of new businesses launched with or without a written business plan.

The drafting of the BP can, however, positively influence other aspects, like the ability to attract capital and accelerate the enterprise's consolidation process. According to Liao and Gartner (2006), in the context of the U.S. Panel Study of Entrepreneurial Dynamics, nascent entrepreneurs who completed a business plan were 2.6 times more likely to persist in business emergence than those who did not. The positive effects of long-term planning on the success of the new business have also been found in empirical studies in the context of SMEs (Ackelsberg & Arlow, 1985; Gibson & Cassar, 2005; Kraus et al., 2006). Nevertheless, a BP undeniably remains a planning tool of choice by operators for predicting and prefiguring future scenarios concerning the business. As noted by Brinckmann and Kim (2015), the decisions and behaviors inherent in BPs are influenced by the cognitive characteristics of the entrepreneur and human capital types (Brinckmann et al., 2019; Block & Petty, 2023), with a greater emphasis in case of the need to raise additional capital and less in the presence of a supportive environment or a member of a business association. A BP has an intrinsically operational content and is used to support entrepreneurs, management, and company stakeholders who, through this tool, can carry out assessments and formulate judgments (Botha & Robertson, 2014; Honig, 2004).

Today, business plans are more widely used and contain increasingly diverse content, aligning with dynamic capabilities theory (Teece et al., 1997; Wiltbank et al., 2006). As a document that includes both qualitative and quantitative information, a BP supports strategic planning, budgeting, fundraising, sustainability assessment, and corporate turnaround. More broadly, it serves as a key communication tool for stakeholders (West, 1995). By consolidating essential business information, a BP aids in assessment and informed decision-making (IFAC, 2006).

From an operational perspective, some authors have already proposed insights into the process of business plan drafting, particularly regarding aspects that can be linked to the well-known "4 or 5 Ws"—namely, who, when, what, and why—as well as more technical elements related to drafting rules (how) and auditing (Sahlman, 1997; Barringer,

2009; Finch, 2016; Mariani et al., 2019). Nonetheless, the academic literature on BPs is essentially limited; studies focused on a possible convergence of the use of BPs for different purposes are lacking, and above all, the contribution to the progress of BP studies provided by professionals and current developments is largely ignored.

Given the BP's usefulness and value, this study sought to answer the following research questions:

RQ1: Can the foundations for a BP drafting conceptual framework be established?

RQ2: What elements should be included in a BP drafting conceptual framework?

This proposal of conceptual framework (Rocco & Plakhotnik, 2009) should recognize theoretical contributions from studies related to strategic planning, budgeting, auditing, and business development but also be the result of professional practice from companies, audit and consulting firms, banks, and other investors.

2.2. The Conceptual Framework for BP Drafting

Based on our literature review, we identified seven elements necessary for BP drafting, which form the basis of our proposed conceptual framework. These elements are illustrated in Figure 1. In the following paragraphs, we examine each element in detail, presenting insights from scholars as well as practical applications observed in the documents analyzed during our literature review.

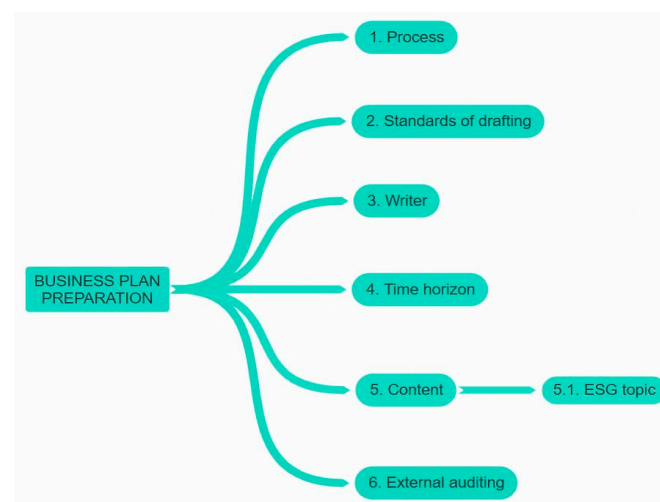


Figure 1. Conceptual framework for BP drafting.

2.2.1. The BP Drafting Process

The drafting process of a BP begins with the planner seeking answers to the question, “Where is the business at present, and where was it in the past?” The information gathered in response to this will supply a firm base, which will help answer another question, “What objectives or goals should the business be trying to accomplish?” These two questions, in turn, lead the planner to ask, “What is the most effective way to achieve these goals?” (West, 1995).

To initiate the planning process, it is essential to define the assumptions upon which the plan is based and constructed. From this starting point, the objectives are defined and then translated into financial terms (i.e., figures or targets). The next phase defines actions and resources to be allocated to achieve the objectives and targets. An essential aspect of the planning process is cross-checking to ascertain that the plan is realistic, feasible, flexible to changes, and capable of dealing with problems and failures (West, 1995). From this perspective, BPs can also benefit from recent developments in artificial intelligence to support forecast preparation and facilitate variance analysis (Subrahmanyam et al., 2024).

as well as to have support from effective knowledge management ([Allur et al., 2025](#)). To have significance to interlocutors, the BP must avoid unsupported assertions or weak assumptions ([De Luca & Tami, 2014](#)).

2.2.2. The Standards of Drafting the BP

For some time now, the leading world stock exchanges have been asking listed companies to prepare a specific document—specifically, a BP—that can synthesize various characteristics of an organization and the management of an enterprise, and that can be updated periodically. In this sense, stock exchanges have often issued standards and specific drafting models that require the production of various kinds of information regarding a company's current and prospective situation. To make assessments and judgments on a BP, reference can be made to the International Standard on Assurance Engagements (ISAE) No. 3400, issued by the International Auditing and Assurance Standards Board. This standard deals with the examination of prospective financial information, such as in the case of judgments from external auditors in support of disclosure to investors in operations on capital markets and, more broadly, for the evaluation of expansion plans. No standard for the drafting of the business plan has been issued to date by the main bodies for the definition of international accounting standards (IASB, IFAC, EFRAG).

It should be noted that, given the need for professional advice on preparing a BP in many cases, the related cost may represent an additional barrier for small and medium enterprises (SMEs) to use a BP. However, companies with a larger size—and, therefore, more resources—usually have drafting standards and an internal procedure for a BP ([Mariani, 2013](#); [De Luca & Tami, 2014](#)). Furthermore, it should also be pointed out that the proposed BP models tend to be calibrated to large companies, which makes it difficult to use them for smaller and less-structured companies ([De Luca & Tami, 2014](#)).

2.2.3. The Drafter of the BP

As [West \(1995\)](#) said, “Any plan is only as good as the individuals that create it” (p. 17). A good plan can align collaborators in pursuit of a common goal, thereby facilitating collaboration and division of tasks. On the one hand, the more people work on a BP, the higher the involvement and consensus at all levels of the organization, while on the other hand, the involvement of many subjects in the drafting process can create problems in integrating data. Therefore, the best solution is often to have a business function or a small group of people drive the process and take responsibility for it while maintaining teamwork.

The board of directors, especially in large companies, plays a crucial role in the strategic planning process, providing the company with the professional skills and experience necessary for this purpose. Additionally, in large companies, a BP encourages the exchange of ideas between top managers and board members, allowing them to monitor their actions toward the achievement of objectives ([Carbone et al., 2023](#)). However, in the case of SMEs, professional consultancy is often necessary for the preparation of a BP, and the role of the business consultant, together with that of the entrepreneur, remains essential to evaluate the various aspects of a BP ([De Luca & Tami, 2014](#); [Olokundun et al., 2017](#)).

2.2.4. The Time Horizon of the BP

Planning is undoubtedly concerned with the future and trying to predict it; however, the issue of the planning time horizon has often been overlooked in academic literature, even though it is fundamental to planning. It is important to be aware of the interdependence of planning objectives and planning horizons ([Borges et al., 2013](#); [Das, 1991](#)).

Concerning time horizons, the common distinction is between “short-range” and “long-range” planning, with long-range planning indicated by an approximate 5- or 10-year plan. In most organizations, planning horizons for BPs are commonly determined at a few

specific years and tend to stay stable and unchanged. Planning horizons of 3 or 5 years tend to be the most common.

Practical experience seems to suggest that a planning horizon that is too long simply leads to meaningless numbers for the last planning years (West, 1995). Das (1991) noted that the appropriateness of the planning horizon is dependent on the temporal orientation of the executives, as executives more oriented toward a distant future tend to prefer longer planning horizons. Moreover, the time horizon becomes even more important in situations of turbulence (e.g., the COVID-19 pandemic) where forecasts are displaced, and it becomes necessary to review them more frequently, as well as shorten the future forecast horizon.

Another observation in this regard is that there are guidelines formulated by specific bodies, such as those issued by the Italian Stock Exchange, that provide precise indications regarding the time horizon. In fact, they indicate that a BP must report the last closed year, two historical years, the budget year, and two prospective. In this sense, the two prospective years offer a “window” into the development of the firm (West, 1995).

2.2.5. The Content of the BP

As has been reiterated by scholars, the planning process is an exercise in collecting, processing, and representing information relevant to the decision-making process of strategic business management (Brock, 1995; Honig, 2004). A BP consists of a series of documents containing both qualitative and quantitative information, along with assessments such as the overall evaluation of the project; the evaluation of the investment program; the evaluation of the marketing plan; and the assessment of the economic, financial, and patrimonial consequences produced by the realization of the project (Hormozi et al., 2002; IFAC, 2006; De Luca & Tami, 2014). The sections that form a BP are linked to the key areas of the business, such as (1) sales and marketing; (2) production and purchasing; (3) product development; (4) facilities, plants and equipment, and capital expenditure; and (5) organization, personnel, and administration (West, 1995). In recent studies, it has been suggested that in unstable contexts, it is useful to insert a paragraph that analyzes the effects of uncertainty in forecasts incorporating simulations of alternative future scenarios (Mariani et al., 2019). As the overall length of the business plan should vary between 30 and 40 pages (Hormozi et al., 2002), the BP preparation requires carefully selecting information to be included because of the different user needs (Mason & Stark, 2004). The BP will be critically evaluated regarding the reliability of the assumptions underlying its preparation, the consistency of the business model proposed, and its financial sustainability. A good BP clearly states goals either in the short or long term, focuses on the business rather than just technology, includes competition and market analysis, avoids poor pricing and lack of internal logic of the investment plan, and controls cash flow and proper funding (West, 1995; De Luca & Tami, 2014; Cant, 2016).

Among alternative projects, investors will prefer solutions that ensure better returns on investment in line with remuneration expectations for the type of business (MacMillan & Narasimha, 1987) and most visually appealing solutions (Chan & Park, 2015).

Environment, Social, and Governance (ESG) Considerations

Environment, Social, and Governance (ESG) propositions can create value for an organization and are, therefore, an inextricable part of how business is conducted. As Henisz et al. (2019) reported, ESG links to cash flows, (1) facilitating top-line growth, (2) reducing costs, (3) minimizing regulatory and legal interventions, (4) increasing employee productivity, and (5) optimizing investment and capital expenditures. Compared to the past, greater attention is paid to ESG issues today. The idea is that integrating aspects related to ESG issues into strategic planning processes and management systems allows a

business to properly consider the expectations of all stakeholders (Bruno & Lagasio, 2021). ESG scores, in addition to determining financial performance, can be used to examine and measure ethical performance, ethical funds, and socially responsible investments (Utz & Wimmer, 2014). Venture capitalists are increasingly investing only in businesses that integrate sustainability into their business models (Amel-Zadeh & Serafeim, 2018). Banks are also increasingly focusing on investments that respect ESG-related standards, thereby reducing risk-taking and supporting financial stability (Di Tommaso & Thornton, 2020). Business plan competitions are also including sustainability awards in their supporting programs (Fichter & Tiemann, 2020).

2.2.6. External Auditing

In normal circumstances, submitting a BP to independent external auditing is not mandatory. Independent external auditing is aimed at verifying the hypotheses underlying the forecasts of management, evaluating their reliability, analyzing the feasibility of BPs, integrating the information if necessary, looking for alternative plans to deal with adverse circumstances, and comparing the past forecasts of the management with historical results to define the forecasting capacity from the size of the estimated error (ISA 570). Furthermore, ISAE 3400 reports how its evaluation must contain indications on the assumptions used to create the data presented, as well as whether these assumptions are well founded and consistent with the other parts of the document, the results are correctly developed on the basic hypotheses presented, the data and the model (with clear indication if it is of estimates or hypotheses) are disclosed, and the results are presented with the same accounting principles used for the historical data to ensure comparability (De Luca & Tami, 2014).

Based on the above considerations, we addressed our research questions testing the following hypotheses:

Hp1: *The BP drafting process follows structured yet flexible steps, integrating top-down and bottom-up approaches.*

Hp2: *Despite variations in industry and company size, there are common BP drafting standards, even in the absence of formal global regulations.*

Hp3: *BP authorship varies by company size and purpose, with SMEs relying more on external consultants, while larger firms prefer internal teams.*

Hp4: *The time horizon of BPs is typically 3–5 years, aligning with financing requirements and strategic planning cycles.*

Hp5: *BPs must balance qualitative (strategic vision, ESG factors) and quantitative (financial forecasting, cash flows) elements to be effective.*

Hp6: *ESG considerations are integrated into BP drafting.*

Hp7: *To gain credibility with potential users, the BP is subject to external auditing.*

3. Materials and Methods

3.1. Research Approach

To answer the research questions, we adopted a qualitative research design, which is particularly appropriate when studying underexplored topics, allowing for an in-depth understanding of practitioner perspectives (De Massis & Kotlar, 2014; Schillaci et al., 2017). Given the limited prior empirical research on BP drafting, a qualitative approach enables us to capture context-specific variations, emerging trends, and industry best practices (Woodside & Wilson, 2003). This method is well-suited to investigate complex organizational phenomena where theoretical frameworks are still evolving.

This study focuses on a practical context where empirical data are essential for understanding how business plans are used and how their preparation is evolving. As noted by [Magnani and Gioia \(2023\)](#), researchers should consider practitioners' expertise rather than impose assumptions. The aim is to accurately represent their experiences while maintaining a theoretical perspective.

Additionally, academic research on BPs remains scarce and fragmented, likely because it is seen as highly practical with limited theoretical appeal. This justifies the qualitative approach, as it allows for the generation of new theoretical insights grounded in real-world experiences ([Gioia, 2021](#)). To ensure methodological rigor and address potential criticisms, we followed the [Gioia et al. \(2012\)](#) methodology, a structured yet flexible qualitative research framework. This methodology is particularly useful for identifying underlying themes and developing theoretical insights that reflect the complexity of business planning practices.

3.2. Data Collection and Sampling Strategy

After searching through databases and search engines such as EBSCO, Scopus, and Google Scholar for articles and publications related to BP, start-ups, and long-range planning published in scientific journals over the last 50 years, we identified key stakeholders involved in BP drafting and evaluation. From April 2022 onward, we conducted initial exploratory discussions with two professionals to refine our understanding of BP users and preparers and to build a relevant sample. These discussions provided valuable insights into industry expectations and helped us identify key respondents for our study.

The respondents were strategically selected based on their affiliation with four key institutions: Banks (3 respondents), Consultancy and audit firms (4 respondents), Investment firms (3 respondents), Companies (5 respondents, including large firms and SMEs).

The selection criteria were designed to ensure a balance between internal and external BP users. Internal users include companies that develop BPs for operational and financial planning, while external users such as banks, consultants, and investors evaluate BPs for funding and advisory purposes. This diversity in respondents allows for a comprehensive exploration of BP practices from multiple perspectives ([Palinkas et al., 2015](#)) The list and description of respondents is reported in Table 1.

Table 1. List and description of respondents.

No.	Category	#Interview	Age/Gender/Education (*)	Respondent Position	Company Size	Sector
1	Bank	Interview #1 (GZ)	41/M/MSc Statistics	Trade specialist	Large	Banking sector
2	Company	Interview #2 (EG)	48/M/MSc Business Administration	CFO	Large multinational	Access automation systems
3	Bank	Interview #3 (UR)	58/M/Economic College	Trade regional director	Large	Banking sector
4	Company	Interview #4 (CG)	50/F/MSc Finance	Statutory reporting, investor relations, and corporate finance senior director	Large multinational	Beverages/spirits
5	Consultancy and audit firm	Interview #5 (AA)	55/M/MSc Business Administration	Partner	Small	Consulting/fintech
6	Bank	Interview #6 (DP)	57/M/MSc Business Administration	Credit area manager corporate	Large	Banking sector
7	Investment firm	Interview #7 (EA)	49/M/MSc Business Administration	Associate partner	-	Investment firms
8	Consultancy and audit firm	Interview #8 (NA)	53/M/MSc Financial Economics	Partner	BIG 4	Consultant firms

Table 1. Cont.

No.	Category	#Interview	Age/Gender/ Education (*)	Respondent Position	Company Size	Sector
9	Consultancy and audit firm	Interview #9 (MDL)	59/M/MSc Business Administration	Partner	BIG 4	External Audit services
10	Investment firm	Interview #10 (FP)	55/M/MSc Business Administration	Partner	-	Equity crowdfunding
11	Company	Interview #11 (GRC)	49/M/ MSc Business Administration	Senior finance director	Large Multi	Pharmaceuticals
12	Company	Interview #12 (AF)	47/M/MSc Engineering	Chief executive officer	SME	Hydraulic components
13	Investment firm	Interview #13 (PA)	64/M/MSc Engineering	Chairperson	-	Business angels association
14	Consultancy and audit firm	Interview #14 (GA)	37/M/MSc Management	Manager	BIG 4	Consultancy services
15	Consultancy and audit firm	Interview #14 (PVA)	56/M/MSc. Business Administration	Partner	BIG 4	External Audit services
16	Company	Interview #15 (MZ)	58/M/ MSc. Business Administration	Chairperson	SME	Luxury shop furniture

Source: our elaboration—(*) The information refers to 1 July 2022.

3.3. Sample Size and Saturation

Although 15 interviews may seem small, this sample aligns with data saturation principles, where additional interviews yield diminishing new insights (Guest et al., 2006). Saturation was assessed through continuous data collection and analysis, ensuring that new themes stopped emerging after the 12th interview. To further validate this, we conducted three additional interviews, confirming that the core themes remained stable.

The diversity of respondents (across industries and firm sizes, also differentiating in terms of age, gender, training, and professional qualification) enhances external validity (O'Reilly & Parker, 2013). This heterogeneous sample ensures that the findings are applicable across different BP use cases, rather than being industry-specific.

To reduce potential bias, respondents were selected using a mix of purposive and snow-ball sampling, where initial interviewees recommended additional relevant participants. This helped mitigate selection bias and ensured a broader representation of BP practitioners.

A list of questions was sent to each respondent before the interview (Appendix A), and interviews were conducted online via Zoom or Microsoft Teams. Each interview lasted between 32 min and 2.5 h, depending on the depth of discussion. To further reduce bias, we used real-time screen-sharing to display the questions and summarize the responses, ensuring accuracy in data collection.

Interviews were recorded and transcribed verbatim, and post-interview respondent validation was conducted to confirm the accuracy of interpretations and findings. This process strengthens the reliability of the data and reduces the risk of misinterpretation.

Each interview was coded systematically using a structured format: B = Bank, CR = Consultancy and Auditing Firm, I = Investment Firm, A = Company. Each respondent received a numerical code (I01–I15). Each question was coded sequentially (D01, D02, etc.). Each statement was assigned a unique identifier (e.g., B.I01.D01.01).

This systematic coding approach facilitated data organization and later analysis while ensuring transparency in data handling.

3.4. Data Analysis: The Gioia Methodology

Once the interviews were completed, we applied the Gioia methodology (Gioia et al., 2012) for data coding and interpretation. This methodology is particularly suitable for inductive research, as it allows themes to emerge from participant narratives rather than imposing predefined theoretical constructs.

The process involved three main steps:

1. Identification of first-order concepts. Statements were categorized based on respondent insights (Magnani & Gioia, 2023). A total of 149 first-order concepts were identified, with an average of 35 per interview. To focus on core themes, we refined this set to 57 first-order concepts. Table 2 reports an example of this first step.
2. Construction of second-order themes. First-order concepts were grouped into thematically relevant categories. This resulted in 16 themes covering key aspects of BP preparation and use.
3. Development of aggregate dimensions. The themes were consolidated into three overarching dimensions related to BP practices. One aggregate dimension, BP Preparation, was the focus of this study.

Table 2. From affirmation to first-order concepts (an example).

Affirmations	Concept
[B.I01.D09.23] The risks would like it to be at least equal to the duration of the mortgage.	[C15] The time horizon of a BP is linked to the duration of the loans or investments.
[B.I03.D09.18] Long BPs: I've only seen them for certain types of investment, like photovoltaics.	
[CR.I05.D09.15] We are asked for BPs that have the same duration of funding.	
[CR.I05.D09.17] Mortgages come to 10 years and still require flows of up to 10 years.	
[B.I06.D09.15] In theory, a loan must have a BP equal to its duration.	
[I.I10.D09.18] Of course it always depends on the reasons why you do this BP.	

Source: our elaboration.

3.5. Inter-Rater Reliability and Bias Mitigation

To strengthen reliability, we conducted an inter-rater reliability check by having two independent researchers code a subset of interviews (McDonald et al., 2019). Discrepancies were resolved through discussion until a consensus was reached.

Additionally, to minimize bias, we 1. Triangulated our findings with the existing literature to ensure consistency; 2. Validated our coding scheme by revisiting transcripts iteratively; 3. Checked coverage of all research hypotheses to ensure theoretical alignment.

Considering potential biases in the data collection process, we acknowledge that respondents may have subjective views based on their professional roles. To counteract this, we ensured 1. A balance between preparers (companies) and evaluators (banks, investors, consultants); 2 A range of industries and consulting services to prevent sector-specific bias; 3. Anonymity for respondents to encourage open and honest insights.

4. Results

Below we present findings related to our proposed BP drafting conceptual framework grouped by the research hypotheses we formulated in Section 2. Appendix B provides the

complete list of concepts and themes, and the aggregate dimension identified using Gioia (2021) methodology.

4.1. The BP Drafting Process

The first theme in our proposed conceptual framework for BP drafting is the BP drafting process. Insights from our interviews, particularly from company representatives, emphasize that this process should be clearly defined, carefully managed, and closely integrated with other business processes.

The concepts supporting this theme were “the strategic planning process/BP involves or should involve the use of a tool integrated into the ERP system”, “BP requires careful review of its settings”, “BP should be a dynamic tool that is updated and reviewed periodically at annual intervals or even shorter in the case of material transactions”, “the BP drafting process follows the strategic planning process with top-down and bottom-up steps”, “artificial intelligence could contribute to the drafting and evaluation of BP in the future”, “BP, which integrates with the budget, has a review process that takes place in multiple steps throughout the year”, “building a BP from a blank sheet makes the editor reflect on the peculiarities of the business”, “BP combines the process of finance with the commercial and production ones”, “BP can be connected to ISO 9001”, “the BP drafting process takes time”, “BP may be updated in conjunction with the closure of the balance sheet”, and “BP should be summarized in a short presentation”.

During the interviews, respondents included some interesting insights in relation to the BP drafting process, such as the limited credibility of financial data in certain businesses beyond 3 years, the incomplete representation of planned results (income statement, balance sheet, and financial ratios), the lack of update of the included data, and, perhaps even more serious, the substantial uselessness of the BP for external purposes, which makes it more an instrument of form than of substance.

From the interviews, Interviewee 4 noted that the BP process involves both bottom-up (i.e., the regions/product groups are listened to for strategic project proposals) and top-down (i.e., management identifies the truly relevant strategic initiatives at the group level) paths. This recalls the typical strategic planning processes done in large or group companies (Bower, 1974). According to Interviewee 2, “Tools are used to communicate and load the numbers into a common database to produce the group picture then”. Moreover, Interviewee 15 said that the BP is reviewed every time an element creates discontinuity with the plan, so one may be forced to review it after six months. Furthermore, Interviewee 5 noted that digitalization will increasingly enter the process, and BPs will also be increasingly governed by artificial intelligence. Finally, Interviewee 10 said, “One thing is certain: whether it is 1, 3, or 5 years, you still have to review it at the end of the year and update it”. In sum, BP drafting follows a structured process, but it remains highly adaptive to external market conditions, thus supporting Hp1.

4.2. The Standards of Drafting BP

The second theme we report is “the standards of drafting”. It was supported by the following concepts: “BP has no recognized drafting standards”, “the main assumptions and format of BP are contained in internal guidelines”, “the strategic planning/BP process requires the same principles as the annual financial statements”, “there are guidelines, rules, and reference best practices for the drafting of BP”, “BP also has a version written by external consultants—the IBR—which has two standards, Auditing Standard 570 and ISAE 3400”, and “business schools can provide a BP drafting standard”. As expected, interviews highlighted the variety of sources of information from professional bodies used for BP drafting and the absence of a reference standard or guidelines issued by a supranational

organization indicating principles, criteria, contents, and templates. Some illustrative statements made by the operators that led us to formulate these concepts are as follows. Interviewee 1 described their company's drafting standards as a "very banal template file with four very small pieces of data", while Interviewee 3 reported that there is no market reference standard. Moreover, Interviewee 6 said that each company has its own format, whereas Interviewee 8 pointed to the guidelines for drafting an industrial plan provided by the Italian Stock Exchange, which he contributed to. Finally, Interviewee 13 reported, "So, in fact, there is no standard; I would say the international standard of all Business Schools exists. Based on the above, Hp2 is only partially confirmed, because no global BP drafting standard exists and many companies tend to follow internal templates based on experience, industry-specific norms (e.g., stock exchange guidelines), or best practices from consultants and external advisors.

4.3. *The Drafter of the BP*

The third theme is "the drafter", and the concepts supporting it are: "the funder often participates in the construction of the BP", "the BP drafter varies depending on the size of the company and the purpose for which it is drawn up", "BP is a team effort", "BP has a main process owner", "among the drafters of BP, there should necessarily be the entrepreneur or one who defines the strategies", and "external consultants or other specialized bodies are sometimes involved in the drafting of a BP, especially for SMEs". As expected, and recommended by scholars, a good business plan is a team effort in which several professionals must participate, each with their own role and contribution.

Some illustrative statements that led us to the formulation of these concepts are as follows. Interviewee 6 argued that the drafter is the company which, depending on its size, can use external consultancy firms' support. According to Interviewee 3, a BP is a team effort. Moreover, Interviewee 1 noted that in larger companies, the drafter is generally the CFO or administrative manager, whereas in small firms, the BP is always drawn up by external consultants, the entrepreneur himself, or the accountant. Furthermore, Interviewee 2 said, "The owner of the reference process is finance, then all company functions are involved". Finally, Interviewee 12 referred to the entrepreneur as a drafter of the BP. In sum, Hp3 is fully supported, as in large firms, BP authorship includes the CFO, finance team, and strategic planners, whereas in SMEs, BP preparation relies mostly on entrepreneurs, accountants, and external consultants.

4.4. *The Time Horizon*

The fourth theme related to our conceptual framework is "the time horizon (of BP)", and the concepts involved in the formulation of this theme were identified as "the time horizon of BP is linked to the duration of the loans or investments", "the reference time horizon is normally between 3 and 5 years", "the first year of the BP is the most important one to keep monitored by the governing body", "the BP presents 3 historical years, the current year, and 3 prospective years", and "BP over 3–5 years follows an inertial approach". Interestingly, all responses stressed the importance of both a limited time horizon (in most cases, not exceeding 3–5 years) and the use of historical data to forecast the future. Some illustrative statements that led us to the formulation of these concepts are as follows. Interviewee 1 affirmed, "I have seen BPs of a maximum of 5 years, no more". Interviewee 13 reported that the BP time horizon was 7 years—3 years before the current year, which was budgeted, and 3 years following that. Similarly, Interviewee 8 said, "BP has the last closed year and two historical years, year t which is the budget year and two prospective years". Furthermore, Interviewee 6 reported that a BP has a time horizon of at least 3–5 years and an extension for longer durations follows an inertial approach.

Additionally, Interviewee 5 commented, “We are asked for BPs that have the same duration as the loans”. Therefore, Hp4 is supported because it is reported that most BPs cover a period of 3 to 5 years, aligning to loan repayment schedules, investor expectations, and strategic planning frameworks.

4.5. The Content of the BP

The next theme, “the content” of the BP, is probably the most rich in terms of supporting concepts, which were “BP is a qualitative–quantitative hybrid document”, “forecasting cash flows in BP is critical”, “BP contains a quantitative assessment on synthetic aggregates”, “values of income statement, balance sheet, cash flow statement, margins, and forward ratios are summarized in the quantitative section of the BP”, “the sustainability of BP over time is assessed with margins and ratios (including the Debt Service Cover Ratio—DSCR) on forward balance sheets”, “the qualitative part of BP contains the business strategy”, “BP should contain an analysis of the competition and the market”, “a large audience of subjects (often small and medium enterprises) draws up the quantitative part of BP with only the prospective income statement, omitting cash flows or reconstructing them roughly”, “BP must be reasonable and credible, even in numbers”, “BP can be more or less evolved”, “the BP should contain an analysis of the organization and its members at all levels”, “the BP in the quantitative section contains historical data and prospective data”, “the BP should contain the assumptions for its drafting”, “the BP must be attractive also including good pictures and must entice the investor by showing the heart of the company without lies”, “the BP must be a fair balance between highly analytical and synthetic data”, “the BP can be divided into new business and old business”, and “the BP is built by inserting the lead time of the product”. These concepts give us a broad picture of what is inside the BP, what are the common elements drawn up for different purposes, and some good tips and tricks for avoiding pitfalls. Firstly, they stress the importance of a plurality of both qualitative and quantitative information to be included in the BP, and, secondly, they highlight the importance of verifying the reliability of information with a critical analysis by the user. Other important elements for drafting a good BP (financed by investors) are synthesizing core elements to attract the reader and give a good graphic representation ([Chan & Park, 2015](#)). Some illustrative statements that led us to the formulation of these concepts are as follows. Interviewee 1 specified that a BP is not merely a mathematical example but also substantial for a comparison between parties. Interviewee 9 noted that for them, a BP is not just “four Excel sheets”. Furthermore, Interviewee 12 said that a BP contains a commercial analysis covering sales, competition, and commercial development; an economic–financial analysis (i.e., a budget providing cost indicators and profitability parameters); and an analysis of the process for the production component. Additionally, Interviewee 3 reported that a BP contains a series of information on the company’s development strategy, while Interviewee 7 reported that a BP is essentially a qualitative–quantitative document. Based on the above, Hp5 is supported: a “good” BP combines narrative and numbers, valid both for internal and external uses.

ESG Considerations

A further theme to be included, which is particularly fashionable among managers and business consultants, is related to ESG practices. The concepts supporting the theme of “the ESG topic” were identified as “ESG is an important issue—one to focus on and one that can also be included in BP with specific objectives”, “companies with high ESG indicators have subsidized loans and attract investors”, “it is better to carry out ad hoc ESG due diligence to assess the sustainability of the business”, “BP, especially in smaller contexts, does not always provide information about ESG issues”, and “the focus on sustainability is catching

on but varies a lot from sector to sector". Indeed, the integration of ESG considerations into the business model has become a priority for many corporate stakeholders.

Some illustrative statements that led us to formulate these concepts are as follows. Interviewee 5 said that "the BP will also have to implement some aspects of this legislation and highlight the entire part on sustainability". According to Interviewee 7, "Yes, of course sustainability comes into play". Interview 14 affirmed this by stating, "Institutional investors or private equity funds are increasingly asking for historical but also prospective analyses of the main impacts of certain sustainability issues within the plan". Furthermore, Interviewee 4 noted that her company has sustainability objectives, which are not strictly linked to the BP. Consequently, Hp6 is only partially supported, as ESG considerations are gaining traction but remain inconsistent, particularly in SMEs.

4.6. External Auditing

Another theme we report on is related to external auditing assurance activities for BPs. The concepts supporting the theme of "independent external auditing" were identified as "BP is independently audited when certain thresholds are exceeded or for types of investment", "the auditor's assessment of BP should be based on official international standards, and ISAE 3400 requires an analysis of four elements", "to verify a BP, you can perform diligence through a third company", "a forward-looking approach (feedback of forecasts that had been made to predict the future) is often required in the revision of a BP", "at the request of the company or a counterparty, the BP may be subject to so-called side-by-side review", and "auditing by independent BP audit authorities or bodies is infrequent". As expected, respondents highlighted the importance of testing both the assumptions underlying the forecasts and the forecasts themselves for the main quantitative information included in BPs. Users and auditors must therefore devote energies to the critical analysis of BPs.

Some illustrative statements that led us to formulate these concepts are as follows. Interviewee 14 said, "It depends on the type of activity for which it is designed. In cases of debt restructuring, insolvency, proceedings, acquisition operations even in the case of vendor due diligence, the BP is often subjected to an independent external review (so-called Independent Business Review)". Regarding whether they utilize external auditing, Interviewee 15 said, "Not yet, but it will be". Interviewee 3 reported that they ask for sworn or certified BPs in certain cases. Furthermore, Interviewee 12, like several other interviewees, reported that they do not perform external auditing. Additionally, Interviewee 8 said, "In commercial due diligence by side, a critical review of the BP is carried out for the buyer or with a view to the seller".

Based on the above, Hp7 is only partially supported. External auditing of BPs remains limited, occurring mainly for investment rounds, regulatory compliance, or financial restructuring.

5. Discussion

Building on insights from professionals, we can confidently answer our first research question (RQ1) and offer key considerations for RQ2, reinforcing the seven elements of the proposed BP drafting conceptual framework.

First: The BP drafting process comprises multiple steps involving both top-down and bottom-up loops, which must be repeated over time to keep the BP current.

Second: As there are no drafting standards for BP drafting issued by supranational organizations, operators tend to follow guidelines issued by stock exchange authorities (such as the Italian Stock Exchange) or internal guidelines for BP drafting, in the case of some large firms (Mariani, 2013; De Luca & Tami, 2014).

Third: A BP is mostly written by teams. The contribution of the entrepreneurial and managerial sides is fundamental, but external consultants are also involved, mainly in SMEs, which aligns with the findings of our literature review (West, 1995; De Luca & Tami, 2014; Olokundun et al., 2017).

Fourth: In relation to the time horizon considered in the BPs, the practices reported by operators converge on what is suggested by the doctrine (Das, 1991; West, 1995), normally 3–5 years in duration, except for special reasons. Interestingly, trends up to 3 historical years for main quantitative data and financials are recommended to be included in the appendix for supporting hypotheses and making comparable trends. In case of market instability or exceptional events (such as the COVID-19 pandemic), a reduction in the reference time horizon and a frequent update of the BP are suggested.

Fifth: Overall, the BP, regardless of the scope and aim for which it is prepared, must contain both qualitative and quantitative data, including forecasts of costs and revenues (Brock, 1995; Honig, 2004; De Luca & Tami, 2014; West, 1995). Conversely, cash flows that, according to professionals, are “fundamental” are sometimes missing, particularly in SMEs (De Luca & Tami, 2014). This is probably due to the drafters’ lack of knowledge and competencies or difficulties in collecting information. Risk and sensitivity analysis with alternative scenarios are often included.

Sixth: As expected, ESG-related issues are entering the main decisions of operators. Consequently, BPs include information regarding the environmental and social impacts of the business, albeit in a still limited way. In line with scholar recommendations (Amel-Zadeh & Serafeim, 2018; Bruno & Lagasio, 2021; Di Tommaso & Thornton, 2020; Henisz et al., 2019; Utz & Wimmer, 2014), ESG due diligence is suggested to prevent so-called “green-washing”.

Seventh: Despite the need for trusted data, BP external auditing remains rare and limited to specific operations. Auditing standards give few guidelines on reviewing hypotheses and assumptions underlying the forecast of management and evaluating the reliability and feasibility of a BP, particularly using past forecasts and historical results (ISA 570; ISAE 3400).

Table 3 summarizes the key findings of the BP preparation framework.

Table 3. Key findings for the BP preparation framework.

Elements	Findings
1. Process	The BP drafting process involves multiple iterative steps, combining both top-down and bottom-up approaches. These loops must be repeated periodically to ensure the BP remains relevant and up-to-date.
2. Standards of drafting	There are no universally recognized supranational standards for BP drafting. Operators tend to follow guidelines from stock exchange authorities (e.g., the Italian Stock Exchange) or internal company policies.
3. Writer	BPs are typically drafted by teams. While managerial and entrepreneurial contributions are crucial, SMEs frequently involve external consultants in the drafting process.
4. Time horizon	The standard time horizon for BPs is typically 3–5 years, aligning with theoretical recommendations. In cases of market instability or exceptional events (e.g., COVID-19), shorter horizons and more frequent updates are recommended.

Table 3. *Cont.*

Elements	Findings
5. Content	BPs must include both qualitative and quantitative data, such as cost and revenue forecasts. However, cash flow projections, considered essential by professionals, are often missing in SMEs due to a lack of expertise or data availability. Risk and sensitivity analyses are also frequently included.
5.1 ESG topic	ESG-related considerations are increasingly present in BPs, though still in a limited capacity. ESG due diligence is advised to prevent “green-washing”, in line with academic recommendations.
6. External auditing	Despite the importance of trusted data, external BP auditing is rare. Auditing standards provide limited guidance on evaluating BP assumptions, though some standards exist (e.g., ISA 570, ISAE 3400).

Source: our elaboration.

6. Conclusions

This study examined business plan (BP) drafting with the goal of developing a conceptual framework applicable across various BP uses and users. After conducting a literature review to establish the foundational elements of BP drafting, we gathered practitioners’ perspectives, further exploring each of the seven key components identified: process, drafters, time horizon, drafting standards, content (including ESG considerations), and external auditing.

For each element, we analyzed the emerging concepts from our study and aligned them with existing scholarly contributions. As anticipated, the role of BPs continues to evolve, catering to multiple users for diverse purposes. BPs are increasingly incorporating more detailed quantitative sections, enhancing their ability to provide risk analysis and scenario-based projections. However, the drafting process remains largely unstandardized, partly due to the lack of established reference standards from the accounting and auditing professions.

BP preparation often involves a combination of internal stakeholders and external consultants, with their use extending across different organizational functions. Far from being a static document, the BP requires periodic updates, particularly in response to shifts in environmental and market conditions. Ultimately, the BP’s strength lies in its ability to synthesize and effectively communicate business strategy, making it a versatile tool for multiple applications.

Engaging with industry professionals provided valuable insights into the real-world challenges of BP drafting, the actors involved, common pitfalls, and emerging content trends. This practitioner-focused perspective—often overlooked in academic research—enhances our understanding of the BP as a strategic instrument.

6.1. Theoretical and Practical Implications

This study has both theoretical and practical implications. From a theoretical perspective, we contribute by laying the groundwork for a conceptual framework that captures the essential aspects of BP preparation, enriching the limited existing literature on this subject. From an empirical standpoint, our findings provide actionable insights for policymakers and business practitioners. By highlighting the informational value of BPs as structured, transparent documents, we advocate for their expanded use in assessing companies, supporting public investment decisions, and assisting businesses in financial distress. Given the BP’s crucial role as a communication tool, we believe this study offers guidance to enhance its overall quality, emphasizing the importance of tailoring the drafting process to specific business contexts.

6.2. Generalizability and Limitations

While this study provides valuable insights, it is important to acknowledge its limitations regarding generalizability. The findings are based on a sample of 15 respondents, which, although methodologically justified by thematic saturation, limits the ability to generalize the results to broader populations. Furthermore, the study was geographically centered in Italy, with respondents primarily operating within the Italian business ecosystem. While some respondents are part of international networks or operate on a global scale, suggesting some degree of cross-border relevance, future research should expand the geographic scope to enhance external validity.

Additionally, the non-random sampling method (purposive and snowball sampling) introduces potential selection bias, as respondents were chosen through direct contacts or recommendations. Although efforts were made to ensure a diverse representation of BP users, a more structured sampling approach in future studies could improve representativeness. Finally, while the Gioia methodology provided a structured analytical approach, qualitative interviews are inherently subject to potential bias in data interpretation. Triangulating these findings with quantitative studies could further validate the conclusions drawn.

6.3. Recommendations for Practitioners

Beyond the conceptual framework, our findings lead to specific recommendations for practitioners involved in BP drafting and evaluation:

1. **Standardization Efforts:** While no universal BP drafting standard exists, firms should adopt best practices from established guidelines (e.g., stock exchange rules, corporate governance frameworks) to ensure consistency and reliability in BP preparation.
2. **Cross-Functional Collaboration:** BP drafting should be a collaborative effort across finance, strategy, and operations teams rather than being siloed. In SMEs, where expertise is often lacking, engaging external consultants may enhance BP quality.
3. **Risk and Scenario Planning:** Given the increasing market volatility, businesses should integrate risk assessments, financial scenario analyses, and contingency planning into their BPs to enhance resilience.
4. **ESG Considerations:** Firms should move beyond minimal ESG disclosures and integrate sustainability into their BP. This will not only align with investor expectations but also improve long-term risk management.
5. **Regular Updates and Flexibility:** Businesses should treat BPs as dynamic tools rather than static documents. Updating them periodically, particularly in response to external shocks, enhances their strategic value.

6.4. Future Research Directions

Despite these limitations, this study serves as an important starting point for further research on BP drafting, a topic that remains underexplored in strategic planning and management control literature. Future research directions include the following: Expanding the respondent pool to increase the robustness of findings; Conducting cross-country comparisons to identify regional differences in BP drafting practices; Longitudinal studies to analyze how BP preparation evolves over time; Focusing on SMEs, which typically lack resources and expertise in managerial tools but rely heavily on BPs for financial and strategic planning.

Based on the findings of this study, we believe we have paved the way for the development of a standardized conceptual framework for BP drafting—one that is adaptable to different business needs and contexts.

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Appendix A. Questions in the Semi-Structured Interviews

- What does BP represent for you?
- Do companies make BPs?
- Does your company draft a BP? (*)
- Do companies make BPs (if they have it) because they consider it a useful tool?
- Have you used a BP in your company? Do you use BPs in your company? (*)
- Do you think that drafting a BP is a sign of professionalism?
- Who is the BP editor?
- Do you have a reference standard for writing BPs?
- What time horizon is usually represented (3, 5, or 10 years)?
- What information do you get from a BP?
- Does a BP also contain the cash flow forecast?
- Does a BP contain the forecast of costs and revenues?
- Is a BP used to make a judgment?
- What kind of judgment is made?
- What parameters are used to make the judgment?
- What do you think are the most common mistakes in writing a BP?
- Do you think it is useful to draft a BP, given the dynamism of the environment and the uncertainty and unpredictability that characterize future projections and estimates?
- Is a business evaluated in terms of sustainability?
- Through which parameters is the greater or lesser riskiness of a business expressed?
- Is a BP subject to an independent external audit?
- In your opinion what is the frequency of BP writing in companies? (stable/increasing/decreasing)
- In your opinion, what is the frequency with which BP is used for internal purposes? (stable/increasing/decreasing)
- How does your BP writing process work? (*)
- Does the governing body use a BP to make decisions? (*)
- Is a BP required for your investment/financing? (**)
- Does the governing body regularly monitor the actual performance of management compared to the BP? (*)
- Do you think it's important for a startup that wants to raise funds to write a BP?
- What was the impact of COVID-19 on BP funding and use?
- Free comments and suggestions.
- (*)—only for companies; (**)—only for banks and investment companies.

Appendix B. Concepts and Themes Elaborated on the Basis of the Respondents' Statements

[C15] The time horizon of BP is linked to the duration of the loans or investments.	[T01] The time horizon.	[DA02] The preparation of BP.
[C17] The reference time horizon is normally between 3 and 5 years.		
[C59] The first year of the BP is the most important one to keep monitored by the governing body.		
[C81] The BP presents 3 historical years, the current year, and 3 prospective years.		
[C102] A BP over 3/5 years follows an inertial approach.		
[C16] The COVID-19 pandemic has reduced the reference time horizon.		
[C73] A limitation the BP is the uncertainty of its forecasts over 3 years.	[T05] The ESG topic.	
[C23] ESG is an important issue, one to focus on and which can also be included in BP with specific objectives.		
[C24] Companies with high ESG indicators have subsidized loans and attract investors.		
[C68] To assess the sustainability of the business, it is better to do ad hoc ESG due diligence.		
[C69] BPs, especially in smaller contexts, do not always provide information about ESG issues.		
[C146] The focus on sustainability is catching on but varies a lot from sector to sector.		
[C13] The BP has no recognized drafting standards.	[T06] The standards of drafting.	
[C38] The main assumptions and format of the BP are contained in internal guidelines.		
[C40] The strategic planning/BP process requires the same principles as the annual financial statements.		
[C95] There are guidelines, rules, and reference best practices for the drafting of a BP.		
[C105] The BP also has a version written by external consultants, the IBR, which has two standards, Revision Principle 570 and ISAE 3400.		
[C137] Business Schools can provide a BP drafting standard.		
[C26] BPs are independently audited when certain thresholds are exceeded or for types of investment.	[T07] The independent external auditing.	
[C97] The auditor's assessment of a BP should be based on official international standards. ISAE 3400 requires an analysis of four elements.		
[C100] To verify a BP, you can do due diligence from a third company.		
[C106] A forward-looking approach (feedback of forecasts that had been made to predict the future) is often required in the revision of the BP.		
[C115] At the request of the company or a counterparty, the BP may be subject to so-called side-by-side review.		
[C125] Auditing by independent BP audit authorities or bodies is infrequent.		
[C05] The funder often participates in the construction of the BP.	[T09] The drafter.	
[C11] The BP drafter varies depending on the size of the company and the purpose for which it is drawn up.		
[C37] The BP is a team effort.		
[C49] The BP has a main process owner.		
[C60] Among the drafters of a BP, there should necessarily be the entrepreneur or who defines the strategies.		
[C86] External consultants or other specialized bodies are sometimes involved in the drafting of the BP, especially for SMEs.		

[C39] The strategic planning process/BP involves or should involve the use of a tool integrated into the ERP system.	[T10] The process.	[DA02] The preparation of BP.
[C47] The BP requires careful review of its settings.		
[C63] The BP should be a dynamic tool, which is updated and reviewed periodically at annual intervals, or even shorter in the case of material transactions.		
[C74] The BP drafting process follows the strategic planning process with top-down and bottom-up steps.		
[C83] Artificial intelligence could contribute to the drafting and evaluation of BPs in the future.		
[C93] The BP, which integrates with the budget, has a review process that takes place in multiple steps throughout the year.		
[C108] Building a BP from a blank sheet makes the editor reflect on the peculiarities of the business.		
[C127] The BP combines the process of finance with the commercial and production ones.		
[C131] The BP can be connected to ISO 9001.		
[C133] The BP drafting process takes time.		
[C135] The BP may be updated in conjunction with the closure of the balance sheet.		
[C136] The BP should be summarized in a short presentation.		
[C21] Uncertainty requires frequent BP updates.		
[C44] The pandemic has weakened the credibility of the BP drafting process.		
[C61] BP updates became more frequent after the COVID-19 pandemic.		
[C06] BP is a qualitative–quantitative hybrid document.	[T12] The content.	
[C08] Forecasting cash flows in BP is critical.		
[C12] The BP contains a quantitative assessment on synthetic aggregates.		
[C14] In the quantitative section of the BP are summarized values of Income Statement, Balance Sheet, Cash Flow Statement, Margins, and forward ratios.		
[C18] The sustainability of the BP over time is assessed with margins and ratios (including the DSCR) on forward balance sheets.		
[C62] The qualitative part of the BP contains the business strategy.		
[C75] The BP should contain an analysis of the competition and the market.		
[C77] A large audience of subjects (often small and medium enterprises) draws up the quantitative part of BP with the only prospective Income Statement, omitting cash flows or reconstructing them roughly.		
[C87] The BP must be reasonable and credible, even in numbers.		
[C90] The BP can be more or less evolved.		
[C92] The BP should contain an analysis of the organization and its members at all levels.		
[C96] The BP in the quantitative section contains historical data and prospective data.		
[C104] The BP should contain the assumptions for its drafting.		
[C112] The BP must be attractive and must entice the investor by showing the heart of the company, without lying.		
[C113] The BP must be a fair balance between highly analytical and synthetic data.		
[C132] The BP can be divided into new business and old business.		
[C134] BP is built by inserting the lead time of the product.		
[C139] COVID-19 has not changed the content of the BP.		

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