



## When to update your business plan?

### Description

#### The Agile Business plan: How quarterly reviews drive real growth

Stop letting your business plan gather dust. This guide shows you when and how to update your plan to keep your strategy relevant and your business on track for growth.

*Learn when to update your business plan with this guide for founders. We cover the key triggers for an update and how to connect your annual plan to quarterly goals using OKRs.*

#### Introduction: The myth of the “Finished” plan

Many founders treat their business plan like a homework assignment: they write it, submit it, and never look at it again. This is one of the most dangerous mistakes an entrepreneur can make. In today’s fast-moving market, a static plan is an obsolete plan.

The cost of operating with an outdated strategy is enormous:

- A study found that companies that regularly set and review their goals grow **30% faster** than those that don’t. (Source: Harvard Business Review)
- As **Eric Ries** teaches in **“The Lean Startup,”** a business plan is not a static document; it’s a set of hypotheses that must be constantly tested and updated with real customer feedback.

The most successful companies treat their business plan as a living document. It’s a strategic tool that evolves with their business. This guide will show you the rhythm and triggers for keeping your plan relevant and powerful.

#### 1. The Rhythm of Strategy: Annual plan vs. quarterly goals

A modern business plan operates on two levels. This concept, popularized by Verne Harnish in **“Scaling Up,”** creates a powerful strategic rhythm.

- **The Annual Plan:** This is your high-level, strategic document. It sets the long-term vision, mission, and major goals for the year ahead. You should create or significantly update this **once per year**.
- **Quarterly Planning:** This is where the magic happens. Every 90 days, you break your annual plan down into a small handful of clear, measurable priorities for the next quarter. These are often called “Rocks” (in the “Scaling Up” methodology) or **OKRs (Objectives and Key Results)**, a framework detailed in John Doerr’s book, “Measure What Matters.”



## 2. Update Frequency by business stage

Your update rhythm should also adapt to the stage of your business. A mature company has a different metabolism than a fast-moving startup.

- **Startup Phase (Pre-Product-Market Fit):** Your plan is a set of guesses. You should be reviewing and potentially rewriting it **every quarter** as you learn from your first customers.
- **Growth Phase (Scaling):** You have a proven model. Stick to a firm **annual plan** for your core strategy, with rigorous **quarterly reviews** to adjust your tactics and set new targets.
- **Maturity Phase:** Your market is stable. An **annual review** is usually sufficient, unless a major disruption occurs.

## 3. The 5 key triggers that demand an immediate update

Beyond your regular rhythm, certain events should trigger an immediate review and update of your business plan.

Trigger Event	Why it demands an update
<b>1. You Secure a Major Funding Round</b>	Your financial reality has changed. You must update your plan to reflect your new capital and the milestones you promised investors.
<b>2. A Major Market Shift Occurs</b>	A new technology emerges, a new competitor enters the market, or customer behavior changes dramatically.
<b>3. You "Pivot" Your Business Model</b>	You discover through "validated learning" that your initial strategy was wrong, and you need to change direction.
<b>4. You Significantly Miss Your Targets</b>	If you are consistently failing to hit the key metrics in your plan, it's a sign that your assumptions were wrong and the plan needs to be revised.
<b>5. A Key Team Member Leaves or Joins</b>	The departure or arrival of a C-level executive can fundamentally change your company's strengths and weaknesses.



*"Ideas are easy. Execution is everything."* – John Doerr, "Measure What Matters"

## Final Thoughts

Your business plan is not a static document to be filed away. It is your company's strategic compass. By establishing a rhythm of annual and quarterly reviews and staying alert to the key triggers that demand an update, you transform your plan from a simple document into a powerful, agile tool for navigating the complexities of the business world.

This process ensures that your business is not just running on an old map but is constantly course-correcting and staying on the fastest, most effective path to success.

Ready to build a plan that adapts to your business?

Start by documenting your vision and strategy in our professional [Business Plan Template](#).

## Frequently asked questions (FAQs)

- **How long should an update take?**  
An annual update might be a multi-day strategic process. A quarterly review should be a half-day or full-day meeting with your leadership team.
- **What are OKRs?**  
OKRs stand for Objectives and Key Results. An Objective is what you want to achieve (e.g., "Launch our new product"). Key Results are how you will measure that achievement (e.g., "Achieve 1,000 pre-orders").
- **What's the most important part of the business plan to update?**  
The Financial Projections. Your financial forecast should always reflect your most current understanding of your revenue, costs, and market opportunities.
- **What if nothing has changed in a year?**  
That's a sign of a problem in itself. The market is always changing. If your plan hasn't changed, it likely means you aren't paying close enough attention to your customers, your competitors, or new opportunities.

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## References

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## Category

1. Business Concepts
2. Business Strategy
3. Business Growth

## Tags

1. Business Planning
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