

Starting Your Own Business

Points to consider before starting up a new business

Why do you want to set up a business? Establishing and running a business takes time, dedication and self-sacrifice. To succeed, you will need to be well organised and able to structure your time. Starting your own business can be very rewarding, however, you must be sure you have the capabilities required and can cope with going it alone.

Business Plan - In the early stages, a sound business plan is a must! Writing down ideas in a structured format, returning to them later and seeking the opinion of others (especially those with business experience) is a great way of evolving your plan. A good plan allows you to focus on the business and develop priorities and goals; it can also help you to obtain finance.

Type of Company - Will it fit into the sole trader, limited company or partnership categories? You will need to find out what obligations and responsibilities you, as a new business owner, will have.

Licenses - Certain types of business require you to have a license to trade or operate. For example, licenses are needed to sell alcohol or tobacco, or a beautician would need a license if offering a massage service. The license will usually be issued by the local District or County Council.

Be realistic - Identify your capabilities; but don't forget your weaknesses. Be honest and ask people who know you for their honest opinion of your ability and suitability to run a business. If there are areas where you need help, don't worry; just ensure you seek professional advice when needed.

Professional Advice - Both during the setting up stage and when the business is up and running, it is vital that you employ the services of an accountant and a solicitor. It is also highly recommended to seek the help of a professional business adviser. All three could make the difference between success and failure. Before taking any of these professionals on, shop around - cheap is not necessarily good. Other small businesses may be able to help by recommending trusted professionals.

Profits - However good and attractive your initial idea, you cannot expect to make a profit straight away. Don't be too ambitious at first and don't over-estimate profits. Try and save money to keep you going through the early stages. If that is not possible, make sure you present a clear, well thought through business plan to your bank manager and ask for sufficient funds to get your business well underway.

Competition - There will inevitably be strong competition for your business. Before starting, make sure you do sound research into other similar companies in your area. See if you can spot weaknesses in their service or product and aim to offer something of a higher quality.

Employees - As your business grows, you will almost certainly need to take people on. You will have to check that they are suitably qualified and have the right skill sets. But, most importantly, they need to be people with whom you can work every day! Be sure to check you are clear on the whole range of regulations that govern managing staff.

The Bottom Line - Over ambition can be fatal when setting up a new business, along with failing to conduct thorough market research. Don't start a business if there is no likely demand for your product or service. Make sure that the market is strong in your area and that you are not duplicating other similar businesses too close to your own. Ensure that you factor in enough funds for contingencies and leaner times. Finally, seek professional advice and produce a detailed business plan. If you follow this simple rule and are dedicated, setting up a business should prove to be a life-changing and highly rewarding enterprise.