

Starting a business - top tips



Introduction

Starting a business is an exciting and rewarding journey, but it requires careful planning, decision-making, and practical steps to set a solid foundation for growth. This factsheet provides essential tips for new business owners to help them navigate the early stages of setting up their business.

Start with a Business Plan

A well-thought-out business plan is the roadmap to success. It helps you define your business goals, understand your target market, and determine how you will achieve profitability. Key elements to include in your business plan:

- **Business Description:** What does your business do? What products or services do you offer?
- **Market Research:** Who are your customers? What problem are you solving for them?
- **Competition:** Who are your competitors, and what makes your business different or better?
- **Marketing and Sales Strategy:** How will you attract and retain customers?
- **Financial Projections:** How much will it cost to run your business, and what revenue do you expect?

Choose the Right Business Structure

The business structure you choose will affect everything from your day-to-day operations to your tax obligations. Common structures include:

- **Sole Trader:** You run the business yourself and are personally responsible for its debts. It's the simplest structure for self-employed individuals.
- **Limited Company:** The business is a separate legal entity from you. This offers limited liability protection, meaning you're not personally liable for the company's debts.



- **Partnership:** A business owned by two or more people who share responsibility for the business.
- **Limited Liability Partnership (LLP):** Similar to a partnership, but the partners' liability is limited to what they invest.

Get Your Finances in Order

Before you start trading, it's crucial to set up your business finances. Consider the following:

- **Business Bank Account:** Keep your personal and business finances separate. This helps with financial management, keeps things organised, and makes tax returns easier.
- **Bookkeeping:** Decide how you will track income and expenses. You can do this manually, use accounting software, or hire an accountant.
- **Access to Funding:** Consider how you will fund your business. Common sources include personal savings, loans, grants, or investment. Having a clear understanding of your cash flow is essential to avoid running into financial trouble.

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Define Your Product or Service

Having a clear understanding of your product or service is essential for success. Answer these questions to refine your offering:

- What is your product or service, and what problem does it solve?
- Who is your target audience, and what do they value?
- How do you plan to price your product or service to be competitive yet profitable?

Test your idea before launching on a larger scale. This could involve seeking feedback from potential customers or conducting a small test run.

Set Up a Website and Online Presence

In today's digital age, having an online presence is critical for business success. At the very least, you should:

- Create a website: It should be easy to navigate, mobile-friendly, and clearly explain what your business offers.
- Social Media: Create profiles on relevant social platforms such as Instagram, LinkedIn, or Facebook to engage with your customers and build a following.
- Online Payment Options: Make it easy for customers to purchase your products or services by offering online payment options such as PayPal or Stripe.

Get the Right Legal Documentation

Make sure your business is legally compliant and protected. Key legal tasks include:

- Registering Your Business: If you're a sole trader, you need to register with HMRC. If you set up a limited company, you'll need to register with Companies House.
- Contracts: Make sure you have clear contracts in place with customers, suppliers, and employees. This can help avoid misunderstandings and protect your interests.
- Intellectual Property: If your business has unique products, logos, or branding, consider protecting them through trademarks, patents, or copyrights.

Set Up Systems for Operations

The operational side of your business can make or break your success. Consider setting up systems for:

- Inventory Management: Keep track of stock and supplies efficiently to avoid overstocking or running out of products.
- Customer Relationship Management (CRM): A CRM system helps you manage customer information, track sales leads, and keep communication consistent.
- Invoicing and Payments: Set up a system to create and send invoices, and ensure you have clear payment terms for your customers.

Marketing and Building Your Brand

Once your business is operational, it's time to start attracting customers. Focus on:

- Branding: Develop a brand identity that resonates with your target audience, including a logo, colour scheme, and consistent messaging.
- Digital Marketing: Use digital marketing strategies such as search engine optimisation (SEO), pay-per-click (PPC) advertising, and social media to reach a wider audience.
- Networking: Build relationships with other business owners and potential customers. Attend local events or join business groups to expand your network.



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Hire Help When Needed

As your business grows, you'll need to hire employees or contractors to handle various tasks. Some areas to consider are:

- Hiring staff: Make sure to comply with employment laws, such as setting up PAYE for employees and providing contracts.
- Outsourcing: Consider outsourcing certain tasks (e.g., marketing) to professionals to free up your time for running the business.

Prepare for the Challenges Ahead

Every business faces challenges, but how you handle them will determine your success. Be prepared for:

- Managing cash flow: Cash flow is the lifeblood of your business. Stay on top of payments, expenses, and income to ensure you can pay your bills and grow.
- Dealing with change: Not every idea will succeed. Learn from mistakes, adapt, and pivot when necessary.

Conclusion

Starting a business requires planning, dedication, and hard work. By focusing on essential tasks such as defining your product, setting up your finances, building your brand, and creating legal protections, you'll be better positioned for success.

Contact Parry and Parry for practical advice on getting your business off the ground.