



**Thinking of Starting
a New Business**

Where Do I Start?

So now that I have a business idea...

Here are a few things to think about. No one ever said that it is easy to start a business on your own.

It takes:

- Courage/Risk taking
- Commitment
- Determination
- Hard work
- Finances

The idea of the rewards, and the dreams however, make it all worthwhile.

On the following pages you'll find 12 steps to help you on your way:

1. Your Idea
2. Your Vision
3. Your Research
4. Your Plan
5. Your Business Structure
6. Your Business Name
7. Your Location
8. Your Licenses and Permits
9. Your Team
10. Your Insurance
11. Promote Your Business
12. Your Finances

1. Your Idea

It all starts with this brilliant idea, the dream — what you hope to offer and what you expect to get in return. In the majority of cases, the expectation of the return pushes or drives the idea.

- **Check no one else has beaten you to it!**
- **If they have, is your idea different enough to offer something else?**

Think carefully and research it as much as you can.

2. Your Vision

Where do you picture yourself and the business taking you in 5 or 10 years' time? That is the driver, the aim and the desire to achieve or accomplish the vision.

This is what you're aiming for. Without a vision, drive becomes diluted and often subsequently fruitless.

- **What do you want the business to achieve?**
- **Where do you want it to take you?**
- **What do you get from it?**

Set your sights on a goal and never take your eyes off it!

3. Your Research

It's now time to balance your idea, your vision with a little reality. Do your research to find out if all you have been dreaming of is anywhere near reality.

In order for your business to be successful, it must solve a problem, fulfil a need or offer something the market wants.

- Is there a need for your anticipated products/services?
- Who needs your product — who will be your customers?
- Are there other companies offering similar products/services?
- What is the competition like?
- How will your business fit into the market?
- Why would a customer choose you over your competition?
- What can you do to beat market?
- What licenses and permits apply to your business?
- Are there any legal requirements to be met?

Without initial research, there is a great potential for dismal failure in the early stages and a loss of valuable time and money.

The moto should always be Research, Research and Research!

4. Your Plan

You need a plan in order to make your business idea a reality. A business plan is a blueprint that will guide your business from the start-up phase through establishment and eventually business growth, and it is a must-have for all new businesses. A business plan is crucial to the success of any business.

If you don't anticipate seeking financial support, a simple one-page business plan can give you clarity about what you hope to achieve and how you plan to do it.

If you're hoping to seek financial support, you'll need to have a well-drawn out business plan to convince funders that you are worth their time and money.

Plan your finances.

- How much does it cost you to produce and sell one unit of product?
- How much are you going to charge for the product?
- How much profit are you going to make?

Put together a spreadsheet that estimates the one-time startup costs for your business:

- licenses and permits
- equipment
- legal fees
- insurance
- branding
- market research
- inventory
- trademarking
- grand opening events
- property leases etc.

As well as what you anticipate you will need to keep your business running for at least 12 months:

- rent
- utilities
- marketing and advertising
- production
- supplies
- travel expenses
- employee salaries
- your own salary, etc.

5. Your Business Structure

The business type you choose will impact many factors from your business name, to your liability, to how you file your taxes.

You may choose an initial business structure, and then re-evaluate and change your structure as your business grows and needs change.

Your business can be:

- a sole trader (it's quick and easy to set up with minimal cost);
- a private company limited by shares (can bring increased tax-efficiency, limited liability and may also give you more of a professional edge by showing everyone that you're a legitimate setup); or
- a partnership (brings in someone to share the joys or sorrows with).

6. Your Business Name

Your business name plays a major role in almost every aspect of your business, so you want it to be a good one.

- Is the name available? (if you are going to register the Company).
- Are there no trademarks registered with the name?
- Does the name appeal to your targeted audience?
- Is the name easy to remember?
- Are domain names available to register?
- Do you need to register patents or trademarks?

7. Your location

Setting up your place of business is important for the operation of your business, whether you will have a home office, a shared or private office space, manufacturing or a retail location.

You will need to think about the overall setup, equipment requirements, and make sure your business location works for the type of business you will be doing.

You will also need to consider if it makes more sense to buy or lease your commercial space.

8. Your Licenses & Permits

You may need registration for industry specific special licenses. Local Authority trading licenses may also be required. Do your research — find out what is legally required.

For example:

- A pub will require an alcohol licence;
- A restaurant will require a food business licence;
- A market trader would require a street trading licence
- A taxi driver would require a private hire licence.

You will need these in place before you can start trading.

9. Your team

If you are going to hire staff, outline the positions you need to fill and the level of expertise required for each position. You will need to recruit suitably qualified staff.

It is very important to analyse the initial staffing requirements.

If you are going to be a sole trader, you may not need additional employees, but you will still need your own support team. This team can be comprised of a business adviser, your banker or other people in a related trade. These can serve as your go-to resource for advice, motivation and reassurance when the road ahead gets bumpy.

Due to financial constraints during start up, it may prove costly to engage a recruitment agency. You may have to place ads in the local press and conduct the interviews yourself.

10. Your Insurance

Your business will need to be insured and depending on your business, you may need public liability insurance, employers liability insurance, buildings and contents cover etc.

11. Promote Your Business

Once your business is up and running, you need to start and keep attracting clients and customers. Let people know what you do and where they can find you.

- You will need to create a marketing plan to help you sell your business.
- Will you engage an advertising agency? Think about all the costs involved.
- What platforms are you going to use to market your product or service?
 - TV
 - Radio
 - website
 - leaflets
 - door to door
 - direct mail
 - cold calling
 - word of mouth etc.

Marketing material checklist

Logo

Create a suitable logo to identify with your company.

Domain name

You can register a domain name. Your domain name will be your website address and you can use this for your website and emails.

Website

There are many DIY website development sites and you can have a go yourself. You may also approach professional web developers for assistance.

Business cards

They are a relatively affordable way to spread your name around. Dish them out to your friends and to your clients

Business stationery

You can have this professionally printed and have your logo on the document.

It is a requirement that the stationery should have:

- Company name;
- Registration;
- Registered office address; and
- The part of the United Kingdom where the company is registered – i.e. England & Wales, Wales, Scotland, Northern Ireland.

12. Your Finances

Covering the basics.

Business Bank Account

Your business will require a bank account. Your clients will make payments for your services to the account and you will make payments for your supplies etc. from the account. Many high street banks will open a bank account in your business name.

Merchant Account

A merchant account will allow your business to be able to accept payments by credit and debit cards.

Recording your business information and transactions

Registers

The company must keep up to date registers of directors, director's usual residential address, secretaries, members and people with significant control. The company must file a confirmation statement — confirming the company details on a yearly basis.

Bookkeeping

This is the day to day recording of financial transactions for the business. You have to keep a record of all your financial transactions — sales, purchases, receipts, debtors, creditors, cash etc.

You can record the transactions manually or electronically. Software is available on the market and this can make the task a lot easier and faster.

Accounting and Tax

A private limited company must prepare and file company accounts with Companies House every year. There are filing deadlines to be met and the accounts will be used to prepare the tax returns. It is advisable to engage a qualified accountant.

Please contact **1st Choice Incorporations** if you need assistance with setting up your limited company or if you require any other assistance. We are here to help. Our partners will assist you with bookkeeping, accounting and tax.

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