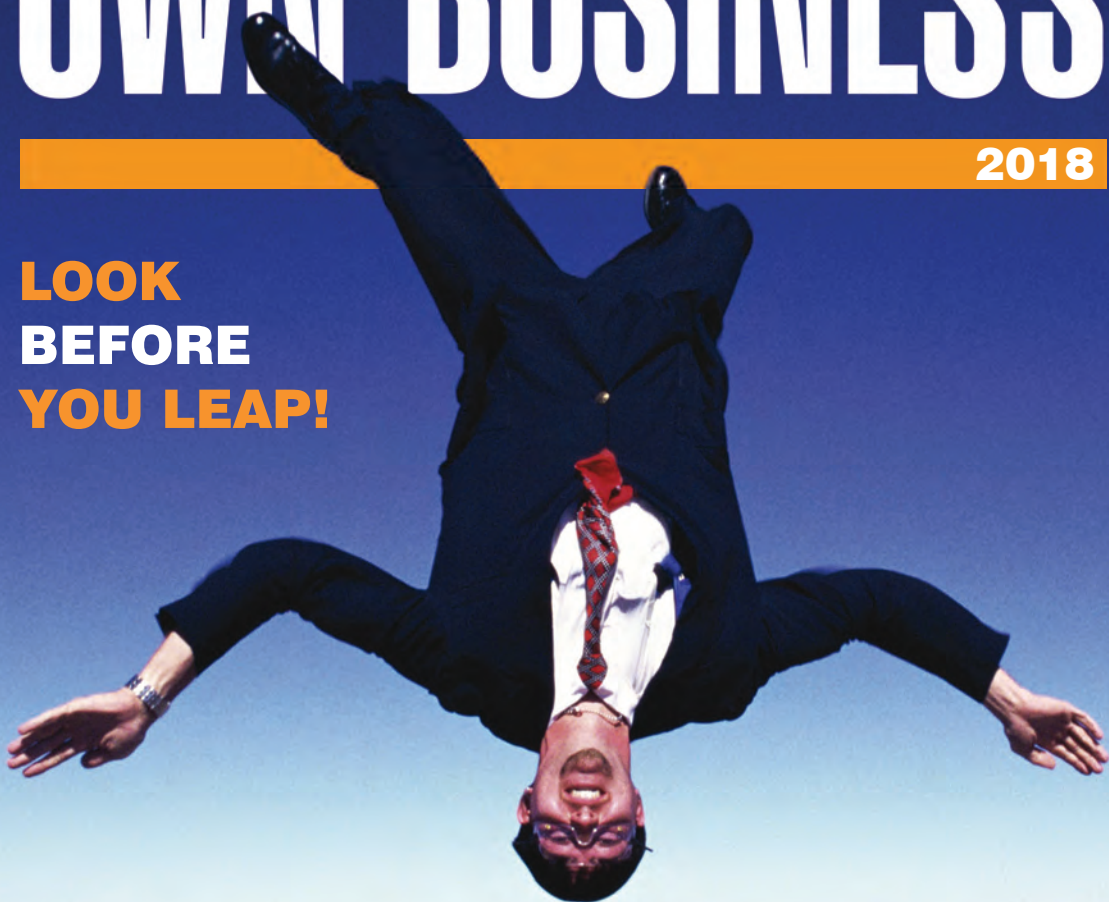


START YOUR OWN BUSINESS

2018

**LOOK
BEFORE
YOU LEAP!**



Your 2018 guide to setting up a successful business

- * How to start, step-by-step
- * Where to find help
- * Start-up resources
- * Useful contacts

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Start Your Own Business In 2018

Andy Pringle

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INTRODUCTION

The road to start-up success?

This genuine aim of this book is to show you the steps you can take to dramatically increase your chances of establishing a profitable and sustainable business.

Sadly, too many businesses fail in the early stages. However, there is good news - this really does not have to be the case.

I have worked for the past 15 years as a business adviser and mentor. I have also run my own businesses and still do so today. This has taught me that there really are things that you can do to dramatically increase your chances of success.

My 'journey' into enterprise started many years ago, while I was still at school. A friend and myself decided that it would be a good idea to organise a school disco (to tell the truth, it was in the hope that we might meet some local girls). Anyway, the disco went really well, we made a profit, and almost by accident, we discovered that it is possible to make money by doing something that you enjoy.

Since that time, I have been lucky enough to taste success. But I have also had a fair few knock-backs along the way (selling Christmas trees door-to-door probably wasn't one of my better ideas). Starting a business is easy and this may be why so many people (me included) set up ventures without adequate preparation.

The phrase 'you don't know what you don't know' is appropriate at this point.

We all expect our doctors and dentists to have studied for years before being allowed to practice. Sportsmen and women accept that they will have to train hard for years in advance if they want to be successful. Yet, a large percentage of new business owners have never done anything like this before and just jump in with both feet without doing nearly enough research or planning.

Hopefully, you are brilliant at what you do, but that doesn't necessarily mean that you will automatically be brilliant at running a business... as I found out the hard way.

My sincere hope is that the following pages, which contain all the relevant theory together with the lessons that I have learned, will give you a fighting chance of avoiding the same potential pitfalls on your own road to success.

Good luck

Andy Pringle

(andy@syob.net)



1

Overview

This chapter gives you a whistle-stop tour of the key considerations. The order is less important than the content and most of the subjects are covered in more detail later in the book.

PERSONAL CHECKLIST



Are you the right type of person to start your own business?
This list of questions, if answered honestly, should help you find out.

Question.	Yes	?	No
Do you get on well with other people?	_____	_____	_____
Are you a self-starter?	_____	_____	_____
Are you persistent?	_____	_____	_____
Are you healthy?	_____	_____	_____
Are you a leader (or a follower)?	_____	_____	_____
Are you prepared to cold call/sell?	_____	_____	_____
Are you financially stable?	_____	_____	_____
Are you prepared to take (calculated) risks?	_____	_____	_____
Are you prepared to take professional advice?	_____	_____	_____
Are you really serious about the idea?	_____	_____	_____
Do you have the support of your loved ones?	_____	_____	_____
Do you have experience in this type of business?	_____	_____	_____
Do you have self-confidence?	_____	_____	_____
Can you handle stress?	_____	_____	_____
Are you prepared for long hours?	_____	_____	_____
Can you take criticism?	_____	_____	_____
Do you like completing checklists? Only joking!	_____	_____	_____

If you answered 'yes' to all of the above questions, you are either perfect for the role or you have an unrealistic view of your own capabilities/situation. If like most people, you have some 'no's', do not be put off - simply review those questions and ask yourself how you can turn the 'No's' into 'Yes's'.

BUSINESS START-UP OVERVIEW

Is it for you?

Being self-employed or running a business does not suit everyone. You need to have a passion for what you are doing, may have to put up with stress, loss of sleep, and lack of money. Sounds great doesn't it?

The upside can be freedom, not having to answer to 'the boss', the opportunity to do something that you love, and the possibility of uncapped income.

Are you the right type of person?

Thankfully, there are no formal qualifications required to start your own business and anyone can have a go. The truth is only the most determined and hard working survive. If you love what you are doing or can convert a hobby into a business, you stand a much better chance of success.

(See checklist overleaf)

Why are you doing this?

Many people think that the biggest reason for starting a business is to make a fortune. Whilst this is certainly true for some, the majority of small business people probably earn less than their employed counterparts. Independence, creating something new, flexible hours, and personal satisfaction are far better, long lasting incentives. The desire to make money is not usually enough by itself to get you out of bed on a cold and miserable morning when not everything is going to plan.

Support of family and friends?

Do you have the support of your nearest and dearest? Stress and lack of money can put a strain on any household even without the added pressure of running a new business. It is best to make sure that your nearest and dearest are 100% behind you before you begin.

TOP TIP! Although your venture may occupy the greater part of your brain for much of the time, try and make sure that it is not to the exclusion of those around you. It is very easy to become a business bore (as my wife will testify).

Are your circumstances suitable?

Self-employment can provide a realistic alternative career if your circumstances make it difficult to find or hold onto a job. The flexibility and wide range of choices make it possible for anyone to set up on their own. Single parents, people with disabilities, the unemployed and ex-offenders are often able to support themselves without the need for benefits. However, it is worth pointing out that it is not a good idea to see this as a reliable method of clearing existing debt.

"QUOTE, UNQUOTE"

"If you want sleepless nights, either have a baby or start a business"



BUSINESS START-UP OVERVIEW



Business idea

Whether you have identified a gap in a market, are planning to buy an existing business or buy a franchise, you need to make sure that the idea is viable and this section is designed to help you consider your options.

DID YOU KNOW? Enterprising student Alex Tew sold enough tiny ads on his website to fund his way through university. Tew, 21, decided to offer spots for a dollar on his www.milliondollarhomepage.com as part of a cunning scheme to raise cash.

What are your skills?

Think very carefully about your strengths and weaknesses and be honest with yourself. You are unlikely to be able to do everything yourself – certainly not effectively. A successful Business requires sales, administration, accounting, and strong marketing, as well as the core trade/product/idea/profession. The way to succeed is to ‘do all the bits that you can do well, and get help for the rest’.

Are you going to start from scratch?

Setting up something completely new can be extremely exciting – but challenging. In addition to your core skill, you will have to quickly get to grips with many more tasks which in corporate life are handled by somebody else. With so many different things to think about, it can be easy to overlook something. (See chapter entitled *Common Mistakes*.)

Buy a business?

Buying an existing business is a good way to leapfrog much of the set up process. Although the cost of purchase may be higher than if you started from scratch, you do gain a trading concern from day one and should be able to get a realistic idea of the potential turnover/profits from the audited accounts.

Buy a Franchise?

Franchising is the granting of a license by one person (the franchisor) to another (the franchisee), which entitles the franchisee to trade under the trademark/trade name of the franchisor in exchange for a fee.

Legal obligations

There is a difference between what the law requires you to do in order to start a new business and, depending on your own experience, what you ought to do in order to stand the best chance of thriving. We have tried to cover both and you can learn more about what the law requires: HMRC Tax Status; legal entity (eg sole trader, partnership, limited company etc) in the chapter entitled ‘Business Set Up’.

Planning

When you are excited about the prospect of starting your business, the planning stage can seem tiresome, however I cannot overstate the importance of this part of the process. Researching your idea thoroughly, preparing a business plan, and a cash flow forecast are vital components of a SUCCESSFUL business (even if you do not need to approach a lender for money – remember, this is for YOU). Simply going through the exercise will serve as a great reality check and will ensure that you have at least thought about all of the key considerations.

TOP TIP. There is a temptation to worry that someone else will ‘get in first’ – however this fear is usually completely unfounded. Do not rush – it is better to take your time and get it right. (This will also give you a better chance against any ‘new’ competition if it does exist.)

WORKING 5 TO 9



As a teenager, I placed an advert in our local paper, which read something like: 'Investor wanted for a potentially profitable new business idea.'

To my pleasant surprise, I received a call from someone who asked all the right questions and obviously liked the answers because he agreed to back the venture (a printed guide showing how to get to all football league clubs... long before the Internet).

It transpired that he was a very wealthy businessman and proved to be as good as his word - the guide was printed and we made a profit. However, I was also keen to learn the secrets of his success. He believed that one reason was that his day started at 5am - I have to confess that, at the time, this just sounded like a waste of good sleeping time!

It is only in more recent years that I have 'woken up' to why this may well have played a far bigger role than I gave credit for at the time.

- Working from 5 until 9 (am) gains you 'bonus' hours before the phone starts to ring, e-mails alerts drive you mad (don't open your inbox unless clearing incoming mail is one of your top priorities) and everyday life takes over.
- It is claimed that the lack of distraction and the ability to really focus on tasks means that these hours could be worth double their 9am to 5pm equivalents.
- If you are thinking about starting a new business but are still in employment, this could be the perfect time to undertake research and business planning without interfering with your work commitments. It may also mean that you can retain your salary for longer while building solid foundations for your new enterprise.
- Family and/or social life can still go on as normal (but try not to burn the candle at both ends - you still need a good night's sleep).

There is something quite peaceful and magical about the sun coming up and the birds singing, which makes it easier to think positively and work harder. Having said that, not every one is a 'morning person' and this will be much easier for some people rather than others. My brain is at it's sharpest (no comments please) after a good night's sleep whereas you may be a late person and so working at the reverse end of the day may suit you better.

The 1 Thing

One of my favourite books is 'The 1 Thing' by Gary Keller. It is a recommended read, particularly if you have a typically entrepreneurial mind which likes to jump around from one thought/subject to another (like mine). The main theme of the book centres around identifying the goals which you want to achieve, breaking them down into long, medium, and short term actions with the most important being the 'one thing' that you can do NOW.

Gary also advocates that your 'one thing' for the day should be tackled before ANYTHING else (yes, even including checking your e-mails and Facebook). This ties in beautifully with the working 5 to 9 philosophy and I can testify that the feeling of satisfaction that comes from achieving an objective before most people have woken up gives you a lift for the rest of the day and every other achievement then feels like a bonus.

PS: The time now is 6.25 AM!

BUSINESS START-UP OVERVIEW

Research your idea and your market

Time spent on researching will be valuable – whatever you discover. Do not be afraid to find bad news. It is better to uncover direct competition or flaws in your plan at this early stage rather than when it is likely to cost you real money. Use the Internet, books, magazines, trade press, and libraries. Talk to business advisors, friends, relatives, and other business people.

TOP TIP. Learn as much as you can about your competition or how similar businesses work in other areas (there is no better way to find their strengths and weaknesses).

Prepare a business plan

There are plenty of sites on the web offering to sell you sample plans but be wary before parting with any cash. Some of the more sector specific examples may be useful, but you should be able to find free templates. Alternatively, your bank or accountant will almost certainly be able to offer you one without charge. *(We have a free template which can be downloaded from <https://www.syob.net/free-pack.php>)*

Create a cash flow forecast

Sadly, money rarely comes in or goes out at the most convenient time (for example you may have to pay for your stock before you can sell it). A cash flow forecast will help you work out roughly what you can expect financially in the future – even if some of it will have to be based upon guesswork. This is vital information, particularly if you are planning to borrow money – it is best to plan for the maximum amount that you will need rather than having to keep going back to your lender asking for more. *(Download a free cashflow template and instructions from syob.net/free-pack.php)*

TOP TIP. Most businesses have peaks and troughs – planning ahead will help you survive the quieter times. A landscape gardener may be well advised to save some of his summer income to carry through the winter months when work could be harder to find. How does this relate to you?

Start networking

Networking is a great way to make new business contacts (and to put on weight). Often run as breakfast, lunch or social events, it is an opportunity to get to know other local business people and if handled correctly, may ultimately lead to more custom. There will be many formal and informal networks near you. Your local Chamber of Commerce may be a good starting point but there are also plenty of national and local networks and it is a good idea to try a few to see which suit you best before committing to a joining fee.

Setting up

Making sure that you are completely prepared for ‘take off’ involves a great deal of thought and planning. The more that you can do in advance, the more time that you will have later to concentrate on actually running the business.

TOP TIP! This is an exciting stage and enjoyable because it is completely within your control and usually involves making other people happy by giving them money. However, do not get carried away with expenditure and never let the planning distract you from thinking about where your income is going to come from.

Naming your business

It is often harder to name a new business than we think. It seems like you should be able to come up with something catchy and run with it, but it isn't that simple. You must investigate the possibility that someone else has already chosen the name, and, if so, what their rights are to use it in the area/market you will be serving.

1. Look in your local directories
2. Undertake a ‘Google’ search.
3. If you are setting up a Limited Company, the Companies House website offers a search facility: www.companieshouse.gov.uk
4. Check to make sure that your domain (website) name is available.

BUSINESS START-UP OVERVIEW

Accountancy

Keeping track of income and expenditure is vital to the financial health of any business, as is complying with the demands of the revenue! Careful planning, book-keeping and compiling annual accounts are often best left to someone with the required experience and skills – an accountant or qualified book-keeper.

If you operate a profitable business, a good accountant will save you a lot of aggravation and possibly money too! The tax laws are complex and an accountancy fees can sometimes be covered by their knowledge of how to legally minimise the amount of tax that you have to pay.

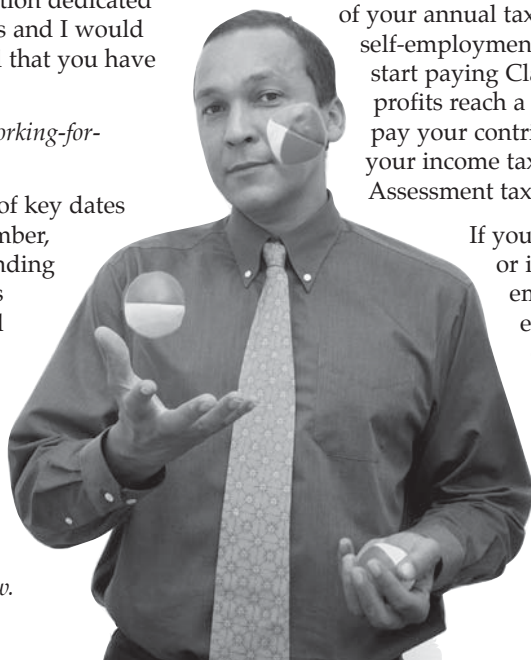
TOP TIPS! Shop around (personal recommendations are best). Always agree fees in advance. Do not be tempted by offers of 'creative' accounting to save you tax – HMRC deal with enough accountants to know the good from the bad and who is most likely to be 'trying it on'!

HMRC (The Tax-man!)

HMRC (Her Majesty's Revenue and Customs), is responsible for collecting the bulk of our tax. Their website has a very informative section dedicated to starting a business and I would strongly recommend that you have a look:

<https://www.gov.uk/working-for-yourself/overview>

There are a number of key dates that you must remember, but these vary depending upon the legal status of your business and whether or not you employ staff. We cover this in more detail later in the book but all of the up-to-date information can be found at the HMRC website: www.hmrc.gov.uk



DID YOU KNOW? In the early days of the web, an accountancy practice in Hertfordshire were quick of the mark and registered www.inlandrevenue.co.uk as their domain name.

Registering for VAT

Value Added Tax (VAT) Value Added Tax (VAT) is a tax on certain goods and services supplied in the UK. At the moment, you only have to register for VAT when your 'taxable turnover' is more than the current threshold (see: <https://www.gov.uk/vat-registration-thresholds>). More information about VAT: www.gov.uk/topic/business-tax/vat

National Insurance

Almost everyone who works for a living pays N.I. It goes toward pensions, benefits and healthcare. Class 2 NICs are payable by anyone who is self-employed.

Class 2 National Insurance is a fixed weekly amount, paid by monthly direct debit or quarterly bill. When you register as self-employed, you will also fill in the Class 2 direct debit form. See: <https://www.gov.uk/self-employed-national-insurance-rates>

Class 4 NICS are payable by most self-employed people. They are a percentage of your annual taxable profit from self-employment, but you only start paying Class 4 when your profits reach a certain limit. You pay your contributions along with your income tax using the Self Assessment tax return.

If you are in a partnership, or if your spouse is self-employed too, then each person pays their own Class 4 NICs.

If you are an employer, then you will also have to pay Class 1 – and possibly Class 1A or Class 1B – on employees' wages.

BUSINESS START-UP OVERVIEW

Legal issues

There are numerous areas of the Law that may prompt you to seek professional legal assistance.

Examples can include: company / commercial issues, commercial agreements / contracts, company and business sales and purchases, company formation / business start-ups, contract advice, joint ventures, mergers, acquisitions and disposals, minority shareholder rights, partnership agreements, raising capital, share schemes, shareholder agreements, terms and conditions of business, restructuring your business, agency & distribution agreements, franchise agreements, commercial property issues.

Find a Solicitor. Run by the Law Society, Find a Solicitor is a free service for anyone looking for information about organisations or people providing legal services in England and Wales that are regulated by the Solicitors Regulation Authority (SRA).
<http://solicitors.lawsociety.org.uk>

Office equipment

In a well set up office, the equipment, the systems and the environment all contribute to making you and your business more efficient. Instead of cobbling your office together as you go it is far better to plan it properly from the start.

IT

With most people, starting a new business means investing blood, sweat and tears into their new idea and working hard to see it grow into something to be proud of. It usually also means investing a fair amount of money. If this hard earned cash is invested in the wrong area it can quickly disappear. This is particularly relevant when it comes to IT. Neither the hardware, software nor support come cheap and if you get it wrong you can suddenly find a large hole in your finances replacing the wrong systems. Carefully consider what you are likely to need to support your immediate and future needs.

ARE YOU A DAYDREAMER?

Do you spend hours staring out of your office window thinking about all of the other, far more interesting, things you could be doing? No?

Are you telling the truth?

You may not have to deny it for much longer because new research has found that daydreamers are often the people who make the best entrepreneurs. So... dream on

A report by Barclays Local Business has revealed how employees who show signs of distraction are the ones more likely to get out and start their own businesses. Nearly half of today's bosses admit they planned their entrepreneurial future while daydreaming in their previous employment.

So bosses should stop worrying about social networking sites such as Facebook distracting workers. People now admit that their biggest office pastime other than their job of course, is staring into space and planning how to launch an empire.

John Davis, marketing director for Barclays Local Business, says: "This survey highlights what many bosses have probably suspected for a long time – that for some employees, their current job is the last thing on their mind when they are at work. However, while they may be wasting their employer's time, they are not necessarily being idle, as they are planning for their own future."



BUSINESS START-UP OVERVIEW



Furniture

Your business space should be planned carefully, as the right equipment and furniture will not only save you time and effort, but money, too. Old or inconvenient furniture results in a messy workspace, loss of productivity and can eventually lead to back or wrist pain. When you depend on yourself for your income, any time you are not working to your full productivity, you are losing money.

Telecoms

Advances in technology have dramatically changed the way that we communicate with each other. Mobile phones, broadband and wireless technology all have a part to play in a successful modern business.

DID YOU KNOW?

Apparently...

- 70% of mobile phones are manufactured in China.
 - Around 80% of the world's population has a mobile.
 - More than 90% of adults have their mobile phone within arm's reach all the time.
- 90% of text messages are read within 3 minutes!

Stationery

There is a massive cost difference between buying small and large quantities of stationery. Calculate what you are likely to need to cover you for a reasonable period and then shop around.

Compare local wholesaler's prices as well as internet/mail order.

www.viking-direct.co.uk
www.ukofficedirect.co.uk
www.ryman.co.uk
www.eurooffice.co.uk

Insurance

For peace of mind, please carefully consider whether your business needs insurance. It is one of those costs that sometimes can be 'saved' but then prove costly later.

The types of insurance that you may be applicable are: Public Liability (essential if you are dealing with members of the public), Employers Liability, Professional Indemnity, Key Man, Director's Insurance, Equipment, Buildings & Contents Cover, Motor Insurance, Goods in Transit, Legal Expenses Insurance. Speak to a reputable broker if you are in any doubt.

Association of British Insurers

www.abi.org.uk

Summary

There is plenty to think about if you want your business to stand the best chance of success. Many of the topics touched upon in this section are explained in more detail further on in this book. However, we would strongly recommend that you make the most of the professional business advice – much of which is free – that is available in the area.

Visit syob.net to find local help

2

Business Advice

As you will have already realised, there is a lot to learn and a multitude of new skills to be mastered. The good news is that you don't have to face this alone. There is plenty of support out there and this chapter should give you a better idea of what is available and where.

START-UP WEBSITES

Although there is no real substitute for practical business advice from an experienced adviser, there is an enormous amount of useful information online for start-ups.



Gov.uk
(<https://www.gov.uk/set-up-business>)



Business is Great (Britain)
(www.greatbusiness.gov.uk)



National Enterprise Network
(www.nationalenterprisenetwork.org)



Startups
(www.startups.co.uk)



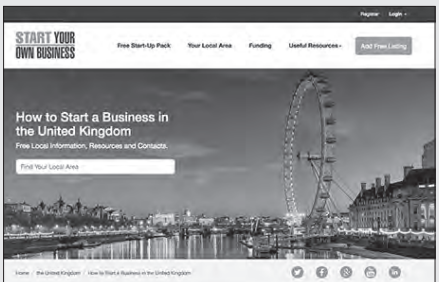
smarta
(www.smarta.com)



newbusiness
(www.newbusiness.co.uk)



Start Up Donut
(www.startupdonut.co.uk)



Start Your Own Business
(www.syob.net)

BUSINESS ADVICE

You can't know everything

Taking advice from the right people will dramatically increase your chances of success and here is a summary of what help is available and where you can find it.



If you only learn one thing away from this book, please can it be that getting a second pair of eyes to have a look at your plan is probably the one single action that will have the most impact on your chances of setting up a sustainable business... as long as they belong to the right person.

Recent statistics unfortunately do re-enforce the belief that up to 80% of new businesses do not last beyond their first anniversary. However, they also show that over 80% of those who sought professional advice prior to launch not only survive, they thrive.

It has to be admitted that one of the key influencing factors is that experienced business advisers or support agencies see it as part of their duty to try and prevent inappropriate ideas from ever starting in the first place. Please do not let this put you off. It is better to find out before you commit time and money to something that is unlikely to work. You can then re-shape your plan accordingly.

An appropriate saying at this point is "you don't know what you don't know"!

In my experience, there are three possible outcomes when a potential start-up asks for help.

1. You are not the right type of person

Some people are just not suited to running their own business but this is the least common of the three options. It sometimes has to be accepted that either a person's personality or circumstances may make conventional employment a more sensible option.

2. You are suited but the idea is flawed

In this case, it is possible to investigate further to assess whether the idea is basically sound but in need of change or if it should be shelved altogether.

A proposition which has little chance of survival is best forgotten and effort put into finding a better idea. Just because this particular enterprise was not right, it does not mean that you should take the news personally and assume that you aren't suitable either. Going through the exercise will have been informative and will help shape future thinking by highlighting what should be avoided next time.

If the idea is a good one but contains weaknesses, an independent adviser will be able to use their previous experience and knowledge to help you iron out the wrinkles and in doing so possibly save you a lot of wasted energy and expense.

3. Both you and the business are ideal

In this instance, it will have done you no harm to have gone through a sanity check and to be re-assured that you are heading in the right direction.

In conclusion, you have nothing to lose!

The following pages contain details of local and national business support agencies but also some ideas of where you can find out more information (online and off line) about starting a business.

BUSINESS ADVICE

Business support organisations

Historically, government-funded programmes like Business Link dominated the support landscape and provided a whole host of free services. This picture has been changing noticeably over the past few years and the number of available schemes has reduced dramatically. Even so, there are still a number of business support organisations who would love to help you and some still do offer some free guidance for qualifying individuals. It is best to get in touch or check their website to see what is currently available.

Adult education classes

In recent years, the number of students enrolled in further education increased by 37 percent, to over 4million. Many classes, particularly those related to starting a business, are held in the evening. To find out what courses are available near you, ask your local schools and colleges for a prospectus.

Business training courses

Both commercial organisations and not-for-profit support agencies may offer subject specific seminars which could prove useful. Marketing, bookkeeping and social media are current favourites and these are generally delivered by experts in each field.

Business exhibitions/seminars

If you can spare the time away from your business, attending relevant exhibitions is a very effective method of learning. In addition to the collection of stands (which could provide ideas, potential suppliers or customers) there are generally plenty of free seminars and opportunities to network.

- Business Start Up Exhibition
(www.bstartup.co.uk)
- Growing Your Own Business
(www.sme-events.com)
- The Business Show
(<http://www.greatbritishbusinessshow.co.uk>)
- The Business Growth Show
(<http://thebusinessgrowthshow.com>)

Learndirect

Can help you create a structured programme of learning, to suit your goals and objectives and they can also see if funding is available. If you're looking to top up existing skills with an online course, and learn independently, you can get started straight away. www.learndirect.co.uk

Mentoring organisations

Finding a mentor is another great way of tapping into knowledge and experience. This could be someone who already operates a business or has done so in the past. Alternatively, some banks participate in a scheme which enables their managers to work with business owners free of charge (see BBA below).

- Mentorsme
<http://www.mentorsme.co.uk>
- British Bankers Association (BBA)
<https://www.bba.org.uk>
- Institute of Enterprise and Entrepreneurs
<https://ioee.uk>
- SFEDI Directory
<https://sfedidirectory.co.uk>
- Prince's Trust
<https://www.princes-trust.org.uk/help-for-young-people/support-starting-business>

Networking

Networking allows you to meet other business owners, who may well have stories to tell that will help you develop your own enterprise. There is often the opportunity to for speakers to share their expertise. See our networking section for more hints and tips.

Open University

Want to study in your own time, in your own home or workplace? Then the Open University is for you. You can choose a course from one of the 580 on offer. Each course you take earns points towards a qualification such as a degree, a diploma or a certificate. Most courses have no entry requirements. <http://www.open.ac.uk>

3

Market Research

This is arguably one of the most important stages in the start-up process. Fear of discovering flaws in your idea should not prevent you from thoroughly researching your target market. Discovering and addressing weaknesses in your plan before you start could save time, money and unnecessary heartache.

ONLINE RESEARCH

The Internet means that you can undertake meaningful research without leaving the comfort of your own home (or office if you are still employed!). Here is a list of sites that should prove useful.

Alexa: (www.alexa.com) Now owned by Amazon, Alexa provides analytical insights to benchmark, compare and optimize businesses on the web. In simple English, this means that you can assess the popularity of your competitors' sites. Also useful when you have your own site so you can see how it compares.

Chambers of Commerce: (<http://www.britishchambers.org.uk>) Your local chamber may list visitor days, which offer you the chance to meet other local businesses and to get a feel for what is going on in the area.

Companies House: (www.gov.uk/government/organisations/companies-house) You can get some details about a company for free and use the Webcheck service to see if your chosen name already exists or not.

Company Check: (www.companycheck.co.uk) Although one of many, this is my favourite site for finding out about limited companies. For example: names and ages of directors, which other companies they run, company details such as bank balance at time of last accounts, assets, liabilities and net worth.

Google: Search locally using the phrases that your customers are likely to use but you can also learn from other parts of the country and other countries: google.com (US), google.com.au (Australia).

Gov.uk (<https://www.gov.uk/market-research-business>) Contains a section dedicated to market research.

Local authorities: Your local authority's website will have a business section and possibly a local directory.

Local directories: A hunt through the plethora of local sites will help to identify what your customers will find if they do the same search. You may also be able to list your own business (jumping ahead a bit into marketing territory!).

Local newspapers: As above but also look at who advertises and which businesses are featured in articles.

Marketest: (www.marketest.co.uk) Marketest is an online market research company dedicated to new businesses, entrepreneurs and Start-Ups. Test your business idea and/or your target market.

National directories: The likes of Yell and Thomsons still attract large volumes of traffic and well worth a visit.

National Enterprise Network: (www.nationalenterprisenetwork.org) NEN members offer independent advice and support to those thinking about starting or already running a business.

Social Media: Twitter, Facebook and LinkedIn are a goldmine if you want to find out more about local businesses and who interacts with them. (See our section on Online Marketing for hints and tips).

Survey Monkey: (<https://www.surveymonkey.co.uk>) Free online survey software and questionnaire.



MARKET RESEARCH

Is there a gap in the market?

A major part of your initial planning should focus on finding out as much as you can about your potential customers and competitors. Ultimately they will determine whether you just have an idea or a profitable business!



“Build it and they will come” is a famous line from the film ‘Field of Dreams’.

Although I hate to be the one to break it to you, in terms of starting a new business, this is rarely true. The fact that you are able to provide a particular product or service doesn’t automatically mean that the big wide world is waiting for you to set up in business. Before you start, you really need to see if there is a ‘gap in the market’ or more importantly is there a ‘market in the gap’?

Years of experience in a particular field and proven expertise will certainly give you a head start but there is still no guarantee that you will be able to convert this into sustainable income. Whether you are a seasoned fish bait digger, stuntman or chicken shed manufacturer (and I have dealt with all three!), you still need to identify, with some level of confidence, that there is sufficient demand for whatever you plan to offer.

According to Barclays Bank

“Three quarters of all entrepreneurs start up without doing any market testing to establish whether there is a demand for their service.

Only three in ten carry out market research to determine whether a market exists for their business in the first place. Fewer still – one in five – draw up a customer profile to build up knowledge about their prospective customers and their buying habits.

Knowing who your customers are and why they should buy from you, rather than from your competitors, should be a crucial part in deciding how a business will fit into the market and whether it is likely to succeed. Those that do not assess their long-term market potential and overall competitive stance may risk early closure or failure.”

Mention ‘market research’ to most people and a vision of clipboards, questionnaires and being pestered walking down the high street might well spring to mind. Although it is absolutely vital that you find out what your potential customer wants or needs, you will be relieved to hear that, in most cases, you won’t need to put yourself through that particular ordeal.

I hope by the end of this chapter, you will understand why it is so important, what questions you need to ask and how you can find the answers.

TOP TIP! Do not be afraid of obtaining quotes from potential competitors. You can do this yourself or get someone else to do it for you. I only include this because it has become common practice and your competition is quite likely to do the same to you once you start trading!

MARKET RESEARCH

Why do market research?

- To find out whether there is a market
- To get an idea of the size of the market
- To identify your potential customer base
- To find out what they buy and what they are likely to buy in the future
- To discover who they buy from now
- To learn how much they are willing to pay and how often
- To identify the strengths and weaknesses of your competition

Ultimately, the answers to these questions will help you decide what you should offer, how much you can charge and how you can reach your target market.

Who are your customers?

Imagine if you knew the name, address, and phone number of every potential client who needed to buy your product or service – wouldn't this save you a fortune in advertising?

It may sound like a pipe-dream, but you can certainly narrow your search if you analyse who they are likely to be. Are they domestic or commercial? Large or small? Local or national? Male, female or both? Age range? Do they buy on quality or cost? What is an acceptable price range? But also add as many other criteria that apply to your own trade (i.e. if you fix Ford cars – just target people who drive Fords.)

QUOTE, UNQUOTE

"Follow the customer, if they change ... we change"

SIR TERRY LEAHY Chief Executive, Tesco PLC

What do they buy?

"Find the revenue stream and then direct it towards your business". If you know what customers are already buying, it makes it far easier to know what to offer them. This could be a better/cheaper/more reliable version of their current purchase or something completely new. Find out what they buy most of, what they are prepared to spend, the advantages and disadvantages of their current provider. Then use this information to shape your alternative.

Who are your competition?

You can learn an enormous amount from your direct and indirect competition. As well as looking at similar operations locally, find out what happens in other areas, both home and abroad. If they do something well, incorporate it into your thinking – if you spot a weakness, make sure that you do not make the same mistake. Make a note of everything that you find, you will be surprised at how all these little golden nuggets piece can come in useful, sometimes when you least expect it.

DON'T GET CARRIED AWAY

A lovely lady came to see me to discuss an exciting new invention...

Considerable thought, effort and money had been put into the design and patenting of her prototype and it was finally at the point where she wanted to move the project forward and raise some additional funding. We talked about product launches but, quite rightly, she would not reveal any of the detail until I had signed a non-disclosure agreement. Once this had been done, she excitedly revealed a set of extremely complex plans and a weighty document which contained masses of data about the product.

In essence, the item was designed to keep mothers dry in the rain while pushing a buggy. Unfortunately, a 30 second search on the US Google quickly revealed that not only did similar products already exist, they were not a big success because they were prone to become airborne in windy conditions!



MARKET RESEARCH

Field (practical) research

This includes going out, observing and talking to your customers and competitors 'in the flesh'. Find out what is happening in the real world and be open minded about what you discover – it is far better to learn the truth, be it good or bad, at the earliest possible opportunity.

Questionnaires

You can glean important information either by conducting formal 'interviews' (the clipboard!!) or through informal conversations with potential customers, members of the general public, or focus groups but bear these points in mind.

- Plan your questions in advance
- Make sure that they are likely to result in unbiased answers (do not slant your questions to prompt the ideal response)
- Ask 'open' questions (start with 'who', 'what', 'where', 'when' or 'how') to encourage fuller answers
- Note all responses as quickly as you are able so you can assess later
- Keep your questions short and simple
- Only ask the key questions and don't ask too many
- Do not just ask friends or family!

Undercover work

Much can be learned from observing your competitors or similar businesses in other parts of the country (stalking, spying, being nosy?). If they have premises, why not spend time counting their customers and working out how much money they are likely to be taking over the counter?

Sources of information

A good way of deciding where to search is to put yourself in your prospective customer's shoes. Where do they go? How would they find information? What do they read? Who do they trust? How will they get to hear about you or your competitors? Without doubt, the Internet will feature



Research is essential but the deer-stalker is optional!

strongly in the answers to those questions and the abundance of useful information online has completely transformed the task (see full page article) but there are plenty of other sources.

Places to visit could include: business support organisations; libraries; local authority offices; Citizen's Advice Bureaux; community centres; the Chamber of Commerce; anywhere that has notice boards; trade exhibitions; trade organisations; business conferences; local networking groups.

Reference materials that may unearth useful data: Business magazines; trade journals; local newspapers; national newspapers; local directories; parish magazines; competitor's brochures and price lists.

The importance of this stage of your business planning cannot be over-stated. The time and effort that you put in will have a direct impact on your future success and I sincerely hope that this introduction will help point you in the right direction.

4

Business Planning

A common misconception is that a business plan is only needed if you need to borrow money from the bank. Although it is true that all lenders will ask to see one, it is also probably the most powerful tool in your new business armoury. The main components are extremely simple and are made up of common sense, some careful thought, and research. Above all, it is a great opportunity to review your business and to give YOU an idea of what you have to do to succeed.

WHY WRITE A BUSINESS PLAN?



Here is a quick guide as to why a company needs a well-researched business plan.

1. More companies stay in business

Studies show that companies that are in business and generate higher than average profits mostly have a business plan that they follow.

2. You can understand what to do

Not knowing why things go wrong, why customers don't buy or return, why your competitors are better or more respected than you is a recipe for disaster.

Your plan will help you analyse your business.

3. You can allocate resources better.

No company can do everything. You will need to prioritise the work required in the coming year. Choose no more than 7/8 key projects to work on and you will see the results.

4. You will understand your finances

If you are always overdrawn at the bank or find it difficult to get new finance then you'll need to forecast your sales and costs. But what are they? Work all of this out with your plan.

5. Everyone is aware of your plans

You and your staff, bank manager and other interested parties all need to know the direction the company is going. This is important to pull everyone into the same direction and develop good teamwork.

Planning helps you understand your business. It can be frustrating when there are no customers about and you don't know why.

If you are looking at starting a new small business and need a bank loan then you'll want a fast and easy way to write a business plan that's going to get your application approved at the first time of asking.

If you have never written a business plan before, the whole process can feel daunting especially when it comes to financial projections and marketing. So that's why we have developed a range of ready-made business plans that have all the required sections already completed. All you need to do is customise the plan for your own business.

Established in 2001, **Teneric Business Plans Ltd** have sold plans in the UK and worldwide. These plans and consulting services are guaranteed to get you bank finance or we refund your purchase price. Whether you download a sample business plan or get us to write a business plan for your start-up business, you can rest assured that you have the best resources to hand.

Our exclusive ready made "sample business plans" are available to download online and are quick and easy to customise for your own business. Browse our library of plans at www.teneric.co.uk or contact our consultants to write your plan for you.

Other websites which offer free downloadable business plan templates include:

SYOB (our own site!)

<https://www.syob.net/free-pack.php>

Gov.uk

<https://www.gov.uk/write-business-plan>

Business is Great

<http://www.greatbusiness.gov.uk/the-how-to-write-a-business-plan-guide/>

Start Up Loans

<https://www.startuploans.co.uk/cash-flow-forecast/>

Prince's Trust

<https://www.princes-trust.org.uk/help-for-young-people/tools-resources/business-tools/business-plans>

Sage

<http://www.sage.co.uk/business-advice/starting-and-planning/how-to-write-a-business-plan>

Bplans

<http://www.bplans.co.uk>

BUSINESS PLANNING

Failing to plan is planning to fail

Even if you never show it to anyone else, compiling a business plan will help ensure that you have thought your idea through and increase your chances of success.



Are you really ready?

So you've got an idea, it seems foolproof, you can see an endless market to exploit. What can possibly go wrong? Sadly, many new business start ups will fail within three years, with a large number of those failures inside the first six months.

So what can do to ensure that you have a better chance of survival? Research shows that having a business plan is vital to the success of your company, yet so many small businesses start without one.

Compiling your business plan can be quite daunting but it shouldn't be an intimidating process – a good business plan can focus the mind as well as assist in securing finance and support.

Going through the exercise of compiling a business plan will clarify your strategy as well as defining your long-term objectives.

The plan itself can provide a 'blueprint' for the way that the business will operate with a series of benchmarks to check your progress.

Ideally it should also contain a cash flow forecast, a vital tool for convincing your bank or potential funders – and possibly key customers and suppliers – to support you.

Consider the funding question from the opposite side of the desk — if a friend or family member asked to borrow money from you for this idea, how would you react?

A good place to start is to ask yourself "where do I want to be in 12, 18 and 24 months time"? From here you can begin to formulate your approach to growing and developing your business idea.

The following pages should give you a much clearer idea of what is involved:

BUSINESS PLANNING

Getting started

I have seen business plans which take up less than one side of A4 paper, some that could rival 'War and Peace' and everything in between. Ultimately, there is no perfect 'one size fits all' plan, the most important consideration is that the proposition is viable - your plan should be able to prove this. In theory, there is nothing to stop you simply writing a document which outlines your thoughts but I would strongly advise you to use a template which has already been tried and tested as this will make sure that you don't miss anything vital.

Online templates and guides

There are plenty of excellent websites offering business planning advice and you will be spoilt for choice if you are looking for free or paid for templates.

You can download our business plan template (free of charge) from <https://www.syob.net/free-pack.php>

Business support agencies, accountants and bank managers

These professional advisers will all tell you how important your business plan will become as your new venture takes shape. Thankfully, they also have the knowledge and experience to assist you with its compilation, and may well have a template that you can use.

Examples/other people's plans

Do you remember back to school days when you had to look at previous exam papers and answers to help you revise?

Adopting a similar principle can also work with your plan. You will find a wide selection online. They should give you ideas for style and structure, but do not be tempted to copy their wording directly.

Lending sources

If you are applying to a lender for funding, they will almost certainly have a template that you can use, in fact, some will insist on it.

Writing your plan

Once you have identified what format or which template that you are going to use, it is time to start committing 'thoughts to paper'. Although the layout is in a set order, you do not have to stick to this when adding information. It is probably best to begin with what you know already and then undertake more research before filling in any gaps or areas of uncertainty.

Strangely, the finished plan usually starts with a section which is best left until last to complete - the executive summary. This is because it should be an 'easy to read' summary of all the other sections.

Tip: Investors often make an initial judgement on the executive summary alone and only read on if it is strong enough.

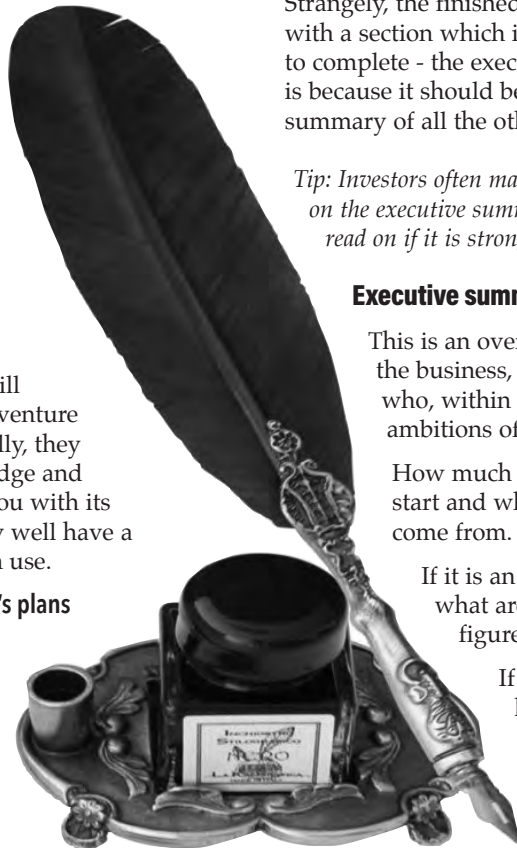
Executive summary

This is an overall description of the business, what it offers, to who, within what area, the aims, ambitions of the business.

How much money it needs to start and where that money will come from.

If it is an existing business what are the previous trading figures?

If applying for funding, how much do you need? How will it be used? What impact will it have?



BUSINESS PLANNING



Vision

- Q. Aims and ambitions of the business?
- Q. What are your short term and long term business goals?
- Q. What are your short term and long term financial goals?
- Q. Do you have an exit strategy?

Market analysis

- Q. What is your market and where does your product or service fit in?
- Q. How big is this market and how much money is spent on products or services similar to yours in a year.
- Q. Profile your clients in detail, covering what they like or dislike about your service
- Q. Who are your competitors and how are you different from them?
- Q. Give your projections in terms of number of customers, contracts obtained, etc.

Management

- Q. Who will be running the business and how are they qualified?
- Q. How will responsibilities be divided?

Detail any relevant experience that you have. (Including current qualifications).

Give details of any training you intend to take.

List details/experience of any partners/directors.

Supply CV's for yourself and/or other key members of staff.

If you need to employ staff, outline their role and the experience they will bring to the business.

Location

Provide details of the location.

- Q. Work from home or business premises?
- Q. How important is location?
- Q. Primary or secondary location?
- Q. Owned or leased and in who's name?
- Q. Has the property got the correct planning consent? What are the lease terms, payment frequency? Is a deposit required in advance?
- Q. Are there any environmental or hygiene regulations to consider?
- Q. What insurance do you need? Public liability? Income protection?

Marketing strategy

How will you get the edge on the competition? Don't rely on just being cheaper.

- Q. What makes you different from your competitors?
- Q. What promotion tools will you use?
- Q. Do you need to advertise?
- Q. If so, how and where?

Products/services

What are you going to offer?

List some examples of your products/services.

BUSINESS PLANNING

Q. How much are you going to charge?

Q. How have you calculated the price?

Customers

Q. Who are your customers?

Q. Who will buy your product/service?

Q. Where do they live/work?

Q. Do they fall within a certain social group?

Q. What do they need? What are the benefits of your product/service that satisfy that need?

Q. Why will they buy from you? What is your USP?

Q. Is there any seasonality in the business?

Q. How much are customers prepared to pay?

Q. What are your payment terms?

Provide details of any existing or anticipated work or orders.

Competition

Q. What do you know about the competition?

Q. Who do your customers buy from now?

Q. Who are your main competitors?

Q. How do they do business?

Q. What do you see as their strengths and weaknesses?

Q. How will you take business from them?

Provide details of any work or orders you have now.

Market research

Describe the market research you have undertaken so far.

Q. What were the results?

Q. Have you any evidence to back up your findings?

It is important to evidence that there are sufficient customers.

Advertising & promotion

Outline your advertising and promotional plans.

Q. How will you reach your customers and how will you market to them?

Q. Why are they the best options?

Q. How often will you use them?

Q. What will they cost?

If you propose to have a website, provide details of how it will be used to promote the business.

Q. How are you going to ensure that your website is found by potential customers?

Q. Which Social Media activities will you undertake?

Are these all accounted for in your financial projections?

SWOT analysis

(Stands for strengths, weaknesses, opportunities, threats)

The SWOT analysis is made up of an assessment of the business's strengths, weaknesses, the opportunities that exist and potential threats from competition and market trends.

It is normally presented in a grid or quadrant with a portion for each consideration.

Strengths & opportunities - you should detail the main strengths and opportunities, which you believe will make your business successful.

Then detail areas in which you feel you have weaknesses and how you might overcome them.

If completed honestly, the SWOT can be really useful when planning short, medium, and long term strategies.

DID YOU KNOW? A well respected support agency undertook a survey which identified that more than 90% of the failed businesses questioned admitted that they had not written a business plan.

A GOOD REASON TO PLAN CAREFULLY



One of the most enjoyable aspects of working with new start-ups is that every day is different and you can never predict what interesting (and sometime bizarre) ideas are about to enter your life.

A great example of this involved someone who turned up for one of our group awareness sessions and ended up teaching a number of lessons which have remained with me ever since... and are now being shared with you!

You may well have attended something similar yourself and know that a common 'ice-breaker' is to encourage participants to introduce themselves and to describe their background, business idea and what they hope to get out of the day. One quite shy individual at the back declared that he had a PHD or similiar in a subject that I had never heard of and certainly couldn't spell. At this point I was fearful that of being way out of my depth and in for a bit of a difficult day. However, he went on to explain that what he really wanted to do was to make chicken sheds! (*Lesson 1 - never pre-judge.*)

This, unsurprisingly, was met with a certain amount of amusement but he had the last laugh because his was the best business proposition in the room on that day. Local farmers had confirmed that they would buy his sheds if they were good enough quality and the right price. (*Lesson 2 - market research can identify demand.*)

The second part of his plan was even better. The materials required to make the sheds could be acquired free of charge. A transport company at the rear of his house was having to pay for old broken pallets to be removed and was delighted to save money by allowing them to be taken away by a local chicken shed builder. (*Lessons 3 and 4 - source your stock wisely and think about the other person's needs as well as your own.*)

I am sure that you can see that if materials are free and someone is willing to buy the end product, you have a fighting chance of making a profit. In this particular case, the surplus did not have to be huge as it simply needed to replace weekly benefit payments. This was easily achieved and although never likely to make him rich, it was the difference between being unemployed and becoming a business owner with a noticeable rise in self-esteem. (*Lesson 5 - a business does not have to make you rich. Job satisfaction and personal pride are equally important.*)

Finally, I did get the chance to go and see the finished article. He still lived at home with his mum and walked me up the garden path, which was surrounded by chicken sheds of all different shapes and sizes, until we reached his workshop. Inside was the most magnificent chicken shed that you are ever likely to see, in fact, if you owned chickens this is where you would want them to live! He was obviously incredibly proud of this creation but did admit that there was just one problem - it was too big to get out of the door! (*Lesson 6 - planning, in every respect of the word, is vital!*)

PERSONAL SURVIVAL BUDGET

How much money do you need to survive?

Very few businesses make much money in the first year. The form below will help you work out how much you and your family need to survive over the first 12 months.

Estimated Expenditure	Monthly (£)	Yearly (£)
Mortgage/rent	_____	_____
Council tax, water rates	_____	_____
Gas, electricity, heating	_____	_____
All personal and property insurance	_____	_____
Food, general housekeeping, repairs	_____	_____
Clothing	_____	_____
Telephone	_____	_____
Hire charges (TV, satellite, etc)	_____	_____
Entertainment (meals, drink etc) and holiday	_____	_____
Subscriptions to associations, clubs, publications	_____	_____
Car Tax and insurance	_____	_____
Car running expenses (incl. fuel)	_____	_____
Car service and maintenance	_____	_____
Children's expenditure and presents	_____	_____
Savings plans, pensions	_____	_____
Loan repayments, debts, credit cards	_____	_____
Other (please state)	_____	_____
Expenditure in the year Sub total (a)	_____	_____
Income		
Estimated non businesses income	_____	_____
Income earned by spouse or partner	_____	_____
Other income (please state)	_____	_____
Total non business annual Income Sub total (b)	_____	_____
Total Survival Income required in the year from your business i.e. sub total (a) less sub total (b)	_____	_____

BUSINESS PLANNING

Personal survival budget

Knowing how much you need each month to live on is essential if you want to be able to concentrate on your business without worrying about paying your personal bills.

A personal survival budget helps you calculate the minimum amount you need to take out of the business as drawings each week/month

Remember, this is meant to be the lowest figure possible, not how much you would like to earn if everything goes well.

(See opposite page for example.)

Cashflow forecast

Sadly, money rarely comes in or goes out at the most convenient time, for example you may have to pay for your stock before you can sell it. A cashflow forecast will help you work out roughly what you can expect financially in the future – even though some of the figures will have to be based upon calculated guesswork.

This is vital information, particularly if you are planning to borrow money – it is best to plan for the maximum amount that you will need rather than having to keep going back to your lender asking for more!

“QUOTE, UNQUOTE”

*“Turnover is vanity,
profit is sanity”*

Not having enough money in the bank when needed is one of the most common reasons why businesses go bust - even those who appear to be successful.

A cashflow forecast is generally designed to cover the next 12 months of trading and is effectively made up of three key elements: money in; money out; and a running total of what effect these have on your bank balance

FREE TEMPLATE - You can download a free cashflow template and step-by-step instructions from:
<https://www.syob.net/free-pack.php>



A cashflow forecast needs to allow for the periods of high and low demand in your particular industry.

Summary

Once you have completed all of the sections, you should have a really clear idea of your target market, what you are going to offer and how you are going to reach potential customers. Income and expenditure will be calculated based on the results of your market research and you will be in a much stronger position to start.

After this, it is important that your Plan becomes a ‘live’ document – it will evolve with your business. You will be able to measure your progress both in terms of market penetration and financial success and prioritise your targets and new opportunities that will undoubtedly arise.

Your business start up is the beginning of a long journey for you, one which will provide you with excitement, independence, success, set backs and ‘freedom from the boss’. Your Business Plan is your route map for this journey. Construct it carefully and you will avoid unnecessary detours and costly errors.

5

Business Set-Up

**Sole Trader? Partnership? Limited Company?
Buy an existing business? Take on a franchise?
You have plenty of choices but which would suit you best?
This chapter explains the options in simple English to help
you make the right decision.**

RUNNING A BUSINESS SHOULD BE FUN!

If you like a challenge and you want to be the ruler of your own destiny, a business is what you need.

Whether you are a sole trader, partner, or director of a limited company, the secret is not to let the business run you! It's so simple to do that you will think 'I knew all this already' or 'this is not rocket science.' It is a matter of 'doing' not just 'saying'.

Goals and visions are great but are meaningless unless they form the basis of a planned, systematised business. I advise you do the following:

Read Michael Gerber's 'E Myth Revisited'. It is a great book.

Michael leads you through all the planning and processes that

you need to have in place to succeed in your chosen field. He uses a small business as an example and steers the prospective entrepreneur through the various thought processes but above all he stresses 'do it'.



Actions speak louder than words. Read other books about setting up in business and attend as many seminars or workshops as you can.

Talk to business people. They will have enjoyed and suffered all kinds of problems and will be in a position to help. If they can't, they 'know a man who can.' Being in business is like being in a club, you will be amazed what you can learn and how keen other businessmen are to help.

Make sure that your 'advisers' match your ambition. You will need a good accountant, a proficient commercial solicitor, a banker you can talk to and a reliable independent financial adviser. What you don't need are 'jobsworths' or 'bean counters.' They should all have a clear picture of where you want to go and should be able to advise you how they can help you go forward.

Find a mentor. Someone you can freely bounce ideas off and who is prepared to listen to you rather than tell you what they think you should do. Unless you set the agenda the business will not become the business you wanted.

Research. You must do the proper market research to ensure that your product or service will be in demand.

Flying a kite is risky. Imagine yourself as a customer of your business and how as a customer you want to be catered for and in what style.

Try to visualise how your business will look in 3 or 5 years time and how you would like it to feel. You can now set your goals and start preparing your financial and marketing plans. Run these by your 'mentor' and advisers before finalising them.

Step back and see what it all looks like. Are you happy with your plans? Can you see yourself achieving what you've planned? If not, refine. Get it right. Take a deep breath and plunge!

Enjoy the game!

Derek Speller FC

BUSINESS SET-UP

Deciding on the right legal structure for your business

For most people, the reason for choosing a particular business structure will depend on its size, trading methods, size of liabilities likely to be incurred and the market the Company will be trading in. Certain businesses seem to fall more commonly into one of the categories than any of the others, for good reason.

It makes sense for you to know as much as you are able to learn about which enterprise structure will suit you best as there are some common pitfalls – for example, do not form a limited company if it's simply unnecessary.

A sole trader can always turn their business into a limited company if it's advantageous to do so at a later date as can some forms of partnerships.

Types of business structure

Basically, the most common forms of enterprise structure are:

- Sole Trader
- Partnership
- Limited Company

Other forms are described after the main features of each of the above are defined.

Sole Trader

Sole trader is the term used for a “one-person” business with or without employees. This type of structure has the following characteristics:

- You do not need to register the business (although you do need to notify HMRC that you are starting a business to avoid incurring a fine)
- It is the “default” business structure i.e. if you are working by yourself and do not take action to set up another type of business, you will be deemed to be a sole trader
- For tax and National Insurance

purposes, you are self-employed i.e. any profits, including wages drawn, are taxed at personal tax rates

- You are personally liable for all your business debts; if your business fails, both business and personal assets i.e. house, car, furniture etc, will be used to pay off the debts
- If you use a name for business different from your own, you must make sure that nobody else is using it already and show your name and address as proprietor on all business stationery and in a prominent place at your business premises.



BUSINESS SET-UP

Partnership

A partnership is legally the same as a sole trader except that two or more people are in the position of proprietors. All partners are jointly and severally liable for debts i.e. you can be made to pay off all debts of your partners. It is important to get a solicitor to draw up a partnership agreement covering:

- The proportions of capital put into the business
- Profit-sharing arrangements
- How losses will be made good
- Division of roles and responsibilities
- Decision making and resolving disputes
- What happens if one partner leaves
- Admission of new partners
- Accounting arrangements
- Arrangement for dissolving the partnership

A partnership is a big commitment so it is essential to find the right partner(s) (just like marriage!) – that is, people with compatible and complementary personalities, skills, attitudes and goals.

Limited Company

In a limited company, the personal liability of the owners for the debts of the company is limited to the nominal value of their shareholding i.e. other personal assets are not liable. Other considerations.

- The company is a separate legal entity and therefore, can sue and be sued just like a person
- You are not “self-employed” in a limited company, but employed by the company as a director
- The directors as employees, therefore, pay tax under PAYE and National Insurance deducted from their earnings
- The company pays corporation tax on its profits
- There must be at least two shareholders – They do not necessarily have to be directors, although they usually are
- A company must have at least two directors or one director and a Company Secretary
- The term Limited or Ltd, must be included in the company name as a warning to creditors that they may not get paid if the business fails

BECOMING SELF-EMPLOYED

Sole traders must register with HM Revenue and Customs (HMRC) and follow certain rules on running and naming their business.

If you're a sole trader, you run your own business as an individual and are self-employed.

You can take on staff - being a sole trader means you're responsible for the business, not that you have to work alone. You should tell HMRC as soon as you start self-employment, otherwise you may face a penalty. You are considered to have started self-employment when you have something to sell and either have a customer for your goods or services, or you are actively marketing your business.

You can let HMRC know about your self-employment by registering online for business taxes. A Self-Assessment Online account will automatically be set up at the same time.

Register online at <https://www.gov.uk/new-business-register-for-tax>



BUSINESS SET-UP



Retailer 'Sole Trader' is actually a Limited Company!

- You have to draw up documents known as the memorandum and articles of association which have to be registered with Companies House.

The memorandum is a statement that the subscribers wish to form a company, have agreed to become members and, in the case of a company that is to have a share capital, to take at least one share each.

The articles define the powers of the directors, voting rights, how and in what manner it is allowed to trade, define the objectives, state the nominal capital and the limitation of liability.

Companies House offer memorandum and articles of association templates so people who want to form the company without employing a solicitor or accountant can do so simply at modest cost.

- You have to pay an accountant to have your accounts audited annually, although some small companies can claim exemption from audit if the members agree. Annual accounts must be filed at Companies House and there are penalties for late filing. Failure to keep the company's public records up to date can lead to disqualification of directors;
- You need to obtain a certificate of incorporation when you register the company before you start trading;

Other types

There are other types of enterprise structures that should be mentioned although they are not as common among start-ups as those already described

- **Community Interest Company (CIC)** – A CIC is a relatively new type of not-for-profit organisation designed for Social Enterprises, i.e. organisations that wish to use their profits and assets for the public good. A CIC is simple to set up, with all the flexibility and certainty of a limited company but with special features that ensure they are working for the good of the community.

A CIC has to be approved by the regulator of community interest companies

Whilst the aims of a CIC will be to provide community services of a similar nature to that of a charity, a CIC is free to be able to operate more commercially than a charity, provided that its activities are transparent. In a way, a CIC falls between a limited company and a charity.

A fundamental feature of a CIC is the principle of Asset Lock. This is aimed at regulating the distribution and transfer of the CIC's assets and income, including any profits. A CIC must satisfy the condition that all its assets and income are used for the benefit of the community and to be able to demonstrate this to the CIC regulator.

- **A Public Limited Company (PLC)** is a limited company which has decided to allow its shares to be traded publicly, usually via stock markets (known as a "Floatation"). In all other respects it has the same structure as a limited company. There are additional legislative measures involved.
- **A Company Limited by Guarantee** has no shares; instead each member guarantees to pay up to a pre-set amount (usually £1.00) in the event of the Company ceasing to trade.

BUSINESS SET-UP

- As there are no shares, profits cannot be distributed except by payment to employees. This structure is best suited to not-for-profit organisations such as social enterprises and charities, clubs and associations;
- **Charity.** A Charity is a not for profit organisation, which is formed on the basis of an agreed constitution by those forming it and that provides free services and support to its beneficiaries. Charities should be registered with, and are regulated by, The Charities Commission
- A **Limited Partnership** allows partners to admit one more “limited partners” who are liable only up to the amount of capital which they subscribe but cannot take part in the management of the business. Very rare because it does not offer many advantages over a limited company;
- An **Unlimited** company is one in which a shareholder may be required to meet the liabilities of the company on liquidation. The only advantage is that the company does not have to publish annual accounts. Again this structure is very rarely used.
- **Co-operative** – an enterprise owned by its members – which include directors, staff and anyone else and is governed on the principle of “One Member, One Vote”

Advantages and disadvantages

Whichever business structure you choose, there are a number of advantages and disadvantages that you should consider.

Sole Trader

Advantages:

- Simple registration
- Inexpensive
- No need for accounts to be audited
- Lower National Insurance contributions
- Losses can be offset against future profits or other income

- Tax treatment of capital gains is better than for a limited company

Disadvantages:

- Personally liable for all business debts
- May not sound as “professional”
- Some National Insurance benefits are not available
- Could be paying higher rates of tax
- Options limited when it comes to raising money
- Can be difficult to get credit, but you may have to give it

Partnership

As for sole trader plus:

Advantages:

- Can spread the risk
- Can involve spouse or other member of family or close friend
- Potentially more finance available
- Can take on additional partners, i.e. bring in extra/complimentary skills

Disadvantages:

- Could be responsible for all debtors of partner(s)
- Need to draw up a partnership agreement
- Could fall out with partner(s)

Limited Company

Advantages:

- Shareholders have limited liability; i.e. they are not personally responsible for the debts of the company
- May give a more professional image, and more credibility with creditors, lenders and investors
- “Perpetual succession” i.e. changes in shareholders do not affect continuity
- Increased borrowing power

KEY CONTACTS



Companies House

Companies House incorporates and dissolves limited companies, registers the information companies are legally required to supply, and makes that information available to the public. There are more than 3 million limited companies registered in the UK, and 500,000 new companies are incorporated each year.

All limited companies must be registered ('incorporated') with Companies House. To do this you need:

- a company name (there are rules on what it can and can't include)
- an address for the company
- at least one director
- at least one shareholder
- the agreement of all initial shareholders to create the company - known as a 'memorandum of association'
- details of the company's shares and the rights attached to them - known as a 'statement of capital'
- written rules about how the company is run - known as 'articles of association'

Once the company is registered you'll get a 'Certificate of Incorporation'. This confirms the company legally exists and shows the company number and date of formation.

Once the company is registered you'll get a 'Certificate of Incorporation'. This confirms the company legally exists and shows the company number and date of formation.

For more information visit <https://www.gov.uk/limited-company-formation>

HMRC website: www.hmrc.gov.uk

GOV.UK website: www.gov.uk

Tax Help Factsheets

<https://www.gov.uk/government/collections/hm-revenue-and-customs-leaflets-factsheets-and-booklets>

Webinars, e-learning, emails and video for self-employed

<https://www.gov.uk/government/news/webinars-emails-and-videos-if-youre-self-employed>

Contact HMRC: <https://www.gov.uk/contact-hmrc>

Department for Business, Energy & Industrial Strategy:

<https://www.gov.uk/government/organisations/department-for-business-energy-and-industrial-strategy>

BUSINESS SET-UP

- Ownership can be made separate from management
- Company can sell shares to raise capital
- Discounts are often more easily obtained
- Possibility of company pension scheme with more benefits e.g. can be used as capital
- Higher National Insurance contributions
- Annual meeting of members is compulsory
- Directors' meetings must be formally minuted though this could be an advantage in improving communication
- Tax losses cannot be set against personal income

Disadvantages:

These are primarily to do with cost and administration

- Annual auditing required – Unless small enough for exemption
- Annual accounts must be submitted to Companies House;
- Shareholders cannot apply assets to personal use, nor can they withdraw funds at will;
- Companies generally prohibited from making loans to directors
- Tax payable under PAYE and corporation tax

Charity

Advantages

A registered charity can apply to a range of grant-making bodies or individuals for non-repayable finance, such as:

- Independent grant making Organisations, usually Charitable Trusts
- Central government
- Local government
- Community organisations
- Individual benefactors



Jamie Oliver's 'Fifteen' is a good example of a successful Community Interest Company (CIC).

BUSINESS SET-UP

- Private donors
- European Commission
- The National Lottery Funds
- Charities will tend to operate in fields that are non-commercial and where need for a project exists in the community, although some charities do operate with a commercial arm.
- There can be considerable support from local, voluntary organisations for the provision of voluntary workers.
- Charities are not-for-profit organisations and do not attract corporation or income tax.
- A charity can also apply for the Inland Revenue Gift Aid Scheme. If donations have been made by private individuals, the Charity can claim the income tax paid by the individuals from the Inland Revenue.
- It can be difficult to locate a grant maker who is likely to support the purpose of an applicant Charity. Grant makers frequently change what type of projects they will support from year to year and a considerable amount of hard work needs to be conducted to find out to whom applications could be made.
- Accounts have to be submitted in a particular format. Grants can be either Restricted (funds for a specific purpose) or Unrestricted (e.g. money for general usage). Restricted Funds have to be for the purpose stated on the application and have to be shown as such in the accounts. If a grant maker discovers that restricted funds have been used for purposes other than that stated in the application, they will have the right to demand return of those funds.

Disadvantages

- An organisation will probably need to register itself as a charity with the Charities Commission, the UK body responsible for monitoring UK-based charities. There are very specific criteria that need to be satisfied before being given charitable status by The Charities Commission. It is more difficult to obtain funding if charitable status has not been issued. There can be quite a lot of paperwork involved, including submitting annual returns.
- A Charity will need to appoint a Board of trustees. This is a group of people who undertake the guardianship of the charity and ensure that the charity is carrying out the purpose for which it was formed. Trustees cannot be paid by the charity.
- It can be difficult to find people willing to work for a charity. Generally pay is less than in the commercial sector and, notwithstanding item 3 of the advantages listed previously, volunteers can be difficult to recruit.

CIC

Advantages

- Carrying out community-based and not-for-profit activities without having to register with the Charities Commission.
- Ability to attract grant and donation funding in the same way as a charity can, without having to register with the Charities Commission.
- To be able to legally derive income from commercial activities.
- A CIC will be more lightly regulated than a charity. Shareholders of a CIC can receive dividends, subject to a cap.
- The directors of a CIC can earn income from it, which is not so with a charity, unless specifically provided for.

Disadvantages

- A CIC is not entitled to the tax exemptions enjoyed by charities.

6

Business Premises

Whether you plan to work from home, to rent or buy commercial premises, it is best to understand the advantages/disadvantages of each option. With the kind help of local property professionals, this chapter explains the legal and practical considerations.

THE ART OF WORKING FROM HOME



Many new entrepreneurs choose to set up their offices from home as an inexpensive way to get started in business.

This makes sense on many fronts. It involves minimal outlay — and a small tax allowance can be claimed for office running costs. Home can be a quiet place that aids concentration and, in a world with 24/7 technology on tap, it is ideal for allocating work hours around other responsibilities.

There are environmental benefits, too. Working from home cuts out commuting, resulting in a better quality of life, higher productivity and a lower carbon footprint. In addition, there is less congestion on the roads and fewer emissions so both air pollution and fuel consumption are reduced.

However, working from home does require discipline since it comes with its own set of distractions. Here are some tips on how to make a home office work for you:

1. Notify your mortgage lender and home insurance company
2. Contact your local authority to check that you will not have to pay business rates
3. Consult an accountant regarding your income, VAT and capital gains.
4. Tell the neighbours as there might be more disruptions, depending on the type of business
5. Create a separate 'work zone' away from any distractions. Don't allow disruptions by family members just because you are there. Adhere to working hours that suit you on a regular basis.
6. Get into work mode by dressing professionally and creating regular breaks.
7. Combat loneliness by organising regular meetings with other home-based entrepreneurs or business clubs to communicate new ideas, catch up on news or simply for human interaction.
8. Rent office space on an ad hoc basis if you are concerned about presenting a professional face when holding meetings or receiving clients.
9. Establish clear boundaries such as not answering your business phone or catching up on paperwork during private time.
10. Most importantly, make sure your business does not take over your personal life. Your work-life balance must be actively protected.

BUSINESS PREMISES

Home or away?

Deciding where to run your business could be determined by the nature of your work, running a restaurant from home is probably not a good idea and a window cleaning business is unlikely to need swanky offices!



Work from home

Working from home is definitely the cheapest option, but not always the best. You will need to ensure that you can separate home and work life. Will you be able to motivate yourself and concentrate, or possibly even more tempting—avoid the temptation to work all the time?

Advantages: Cost, convenience, easy to set up, the kettle is close by!

Disadvantages: Domestic distractions, possibly lone working, holiday cover, the kettle is close by!

TOP TIP! Check to make sure that your lease/house deeds do not prevent you from operating from home. If required, obtain permission from your landlord or building society.

Office or workspace

Starting in an office or workshop will involve higher set up costs than working from home but may be more appropriate particularly if you are planning to employ staff or if your customers come to you.

There are important health & safety issues that you will need to be aware of if you are planning to work from any premises. The HSE (Health & Safety Executive) offer free explanatory leaflets at <http://www.hse.gov.uk>

Lease

A lease is a contractual agreement to rent a property. But do you rent or buy? Your financial situation could decide this for you, but if you chose to lease/rent, think extremely carefully about the implications.

1. Lord Forte is famously quoted as saying three most important considerations are LOCATION, LOCATION, LOCATION! However, the better the location the higher the rent!
2. Length of lease?
3. You may have to pay a substantial premium for a longer-term lease.
4. Who is responsible for repairs?
5. Take legal advice.

You want security, but do you want the legal obligation and for how long? Business success or failure may mean that you need smaller/larger premises in the future. Ask about a 'break clause' which could present an 'escape route' at a defined point.

Purchase

Purchasing your property could prove to be an attractive long-term proposition. You will be giving yourself security of tenure, possibly an asset that will rise in value, and any repayments will be reducing your loan rather than simply paying rent to somebody else. You will need to use a solicitor to conduct the purchase, and definitely pay for a full structural survey.

TOP TIP! If you are taking on a business that relies on passing trade, take time to sit somewhere nearby at different times of the day and conduct a head count. Try not to look too suspicious as an arrest at this stage would not count as good publicity!

BUSINESS PREMISES

Licence

With a license, the property owner is effectively saying “OK, you can occupy my property for a while, but I can interrupt at any time and ask you to leave.” The advantage to the owner is obvious, but it can also be a flexible and inexpensive way for a new start to move into premises. Licences are usually relatively short term.

Serviced offices

Working from your garage or garden shed can appear amateur to prospective clients and lack the kudos of an official business address. But there is an alternative that will keep you sane without bankrupting your business before it’s even off the ground. Renting a desk in a shared office offers the best of both worlds. You’re still your own boss, but you’ll have the business support services, such as internet connection, a receptionist, meeting rooms and technical support, all available on site. You’ll have total autonomy, but feel like you are part of a community.

Useful property terms



Rent and rent review

It tells you how the rent is to be paid, how much it is and when it changes and what happens if you are late with the “rent”. It will also tell you what is defined as rent. When the rent changes, it will normally be “upwards only”. This is a detail landlords have been getting away with and in the current climate, is completely unjustifiable. A rent review may be based on RPI or the turnover of the business. However, “market rent” is the most usual and you need to look out for “assumptions and disregards”.

Repairs and decoration

Remember, you will be obliged to do what you agree to, all the way through the lease. It can affect other things like a break clause. The landlord may want you to repair and decorate everything inside and out but that does not need to be the case.

Alienation or disposition

This is about being able to get out of your lease before it comes to an end and includes: Subletting, Assigning, Break clauses, Surrender.

Service charges

This is about the landlord passing costs on to tenants. It will be too late to argue over when the first bill drops on your desk. So be clear about what these costs are and how much they could become. Find ways to reduce, contain or cap the cost.

User

This means “what your business does” but it is more than that. You may find you need permission to change what your business does, even slightly. In retail situations this can be much more complicated.

Insurance

What needs insuring? What are you responsible for insuring? What is your landlord insuring? Who is paying and how much? Is the landlord on a commission?

Yielding up and dilapidations

Yielding up means how you are required to give the property back. Dilapidations are the difference between the condition the property should be in according to the lease and the actual condition it is in when you have moved out. Because of the substantial cost involved, it is really important to get this right well in advance of any commitment.

Security of tenure

This is about your right to a new lease at the end of the term. The law has tried to balance the tenant’s need for continuity of business with the landlord’s need to maximise investment value. You need to be aware of your rights. The phrase to look out for is “outside the act”.

OVERVIEW OF LEASING BUSINESS PREMISES

An overview of what is involved in procurement (or 'acquisition' as it is sometimes known) and the responsibilities and challenges of occupying business premises.

You should seek help and advice, rather than get drawn into tricky and potentially costly situations. For start ups, serviced offices may well be the sensible option but if you really do need premises on a formal lease, then this overview is for you.

Rights and responsibilities - what are you getting yourself into?

So you have found premises and you are ready to get in and start trading.

BUT WAIT!

To do that, you'll have to sign a lease. It is annoying. You'd rather just get in and get on. Can't you leave that bit to the solicitor? After all, isn't that what he/she gets paid for?

No! Changing the fundamental terms of your lease is not what a solicitor gets paid for and by the time they see what might need changing, it will be too late to renegotiate anyway. So on that basis; you have to get it right.

Rule No. 1 - give yourself plenty of time to negotiate - you will need it.

Rule No. 2 - the lease is the defining document for occupying premises.

You may never need to "use" it but when you do, you want to know where to find it and what it says. It will contain things you must do, dates to diarise and other things you may not do.

Of the main rights and responsibilities in a lease, there are some terms to avoid and there are some you can benefit from. The rest can usually be improved through negotiation.

It is vital to remember that you will be held responsible for whatever you sign up to. So it is also vital you know what you're signing. If you don't, it may become a stick you are beaten with (See Property Terms).

Where from here?

This is a light touch look at leasing business premises. There is so much more to tell you about the specific situation you may find yourself in. For example make sure you are not paying rent and service charges for parts of the building that should not be included in the floor area. Imagine how it would feel to find out after you sign the lease that the floor area is 5% less that you were told. Not bothered? On a £50,000 rent, that is £12,500 over five years. Think about who has measured it and who is paying the rent.

Other regulations you should consider that go hand in hand with taking a lease may include: Health and safety, Environmental health, Planning, Fire safety, Disabled access, Asbestos management.

Will it cost you an arm and a leg to have premises that comply? The last two in this list are increasingly important. Were you aware that around 4,000 deaths per year are caused by exposure to asbestos? You should never allow yourself or anyone you work with to be exposed to asbestos; you should never allow yourself or your company to become liable for asbestos in a building.

Be aware of the benefits of and the simple things you can do to stay on the right side of the Disability Discrimination Acts. Think about the phrase "make reasonable adjustments" and put a plan together to show how you would make your goods or services accessible to everyone regardless of any disability or impairment. That will not be the whole answer but it is the start you need to make.

This is a generic examination of commercial lease and cannot cater for every situation. It is invariably recommended that professional advice is taken in good time to ensure the right outcome.

Jim Culverwell



WHEN IS THE RIGHT TIME TO MOVE INTO YOUR FIRST OFFICE?



Jumping in and acquiring your first office space can be a very exciting prospect for any small business. However, there are also many important things to consider before dipping your toe into the water.

Moving into an office away from home working is not guaranteed to improve the professionalism of your business, nor is it going to improve the products and/or services you provide.

But what it can do is give you a dedicated work space and improve your work-life balance. You should consider moving into your first office space when the following scenarios begin to crop up:

- You are planning a number of face-to-face meetings with clients and potential clients and do not wish to invite them round to your humble abode.
- You have freelancers or sub-contractors you wish to work with on a regular basis.
- You struggle to complete work due to distractions at home.
- Your business's profit margin is healthy and you can afford to take on the added expense of dedicated premises.

Admittedly some business start-ups and small businesses make mistakes along the way when selecting office space. Many people work to limited budgets and subsequently they believe the cheaper work space they can find the better. However, paying that little bit extra each month can secure you a much improved working environment, thus improving the efficiencies of your business.

Many new business owners also dive in head first ignoring critical legal information. Whilst on the face of it most office agreements will appear relatively straightforward, it is highly recommended that any tenancy agreement is reviewed by a solicitor before putting pen to paper. The last thing you want is to agree to a contract that ties you in to premises for too long, posing a real risk if you encounter any business problems in the early stages.

Freelancers and small business owners should be aware there is a lot involved with renting and maintaining an office space and that you should only consider renting office space for the first time when truly necessary.

Article kindly supplied by Workspace www.workspace.co.uk

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Finance & Funding

Financing a new business can be a challenge, particularly in the current economic climate. However, without enough capital, a new business will shrivel and die very quickly. The previous chapters should have helped you identify what will be needed for your business to start, and then to succeed. The next step is to ensure that you have enough money to support both you and your enterprise.

BANK FUNDING



The “credit crunch” is no longer in all the headlines and the press have stopped searching to find stories of banks not lending to businesses. Start ups are rising and looking for funding, but will the banks help?

Banks do want to lend money, however, only in a safe and responsible manner, and with rates higher than in the past. Lending, after all, is one of their key activities. They prefer deals which meet their tightened lending policies. In order to gain finance, a deal should be positioned with this in mind. All businesses need money to trade, and understanding the way that a business is funded is a proficiency in its own right.

When it comes to funding a business, the options open to entrepreneurs are numerous. Be it your own cash, overdraft, business loan, factoring or leasing. It is a minefield to the inexperienced eye. It is not only high street banks that can help with lending for start ups, there are a number of other lenders with competitive rates, often lower than the high street with a more personal service. This wide range of options, together with the banks being more responsible with their lending, makes it wise to use the services of an expert to obtain your financial requirements.

If a lender has turned you down once than a further attempt will raise extra questions and reduce your chance of gaining what you are looking for. That is why it is advisable to get it right first time, not when your bank has already refused!

You should ensure that you have the following key items, when going to your bank:

- A well written/researched business plan
- Financial forecasts
- Your break-even figure and understand how any additional overheads will affect this.
- Your Personal income, expenditure, and a list of your assets and liabilities.

Your business plan should be detailed but not too long. Most lenders see several business plans every day and so your plan should be to the point, but giving all the right details in a precise way.

When discussing the financial aspects of your business be prepared, for the lender to ask detailed questions about the figures in your plan. You should be able to demonstrate a complete understanding of them, and that they are achievable. Don't take an annual figure and divide it by twelve, especially your sales forecast.

If you present your plan the right way, you can raise funding. The changes in banks' lending policies have made it harder but I can reassure you that “lenders are keen to do business in the current market as long as the deal is right”.

FINANCE & FUNDING

Money, money, money

"The love of money is the root of all evil," "money brings the worst in people," "money makes the world go round" - and it is usually at the heart of any business success or failure.

Not having enough cash is a clear route to disaster, but so is borrowing too much. This section should give you a clearer idea of how to plot a route between the two.

How much do you need to start?

A cashflow forecast is an essential tool at this stage (see chapter 4: Business Planning). This will help you calculate your initial financial requirement as well as the money needed for early days of trading.

You will have to think about:

1. Actual start up costs.
Premises, equipment and stock will probably have to be paid for before any income is due.
2. Your own personal needs.
3. The cost of running your business.

Most of the major banks websites offer downloadable forms for this.

How much do you need to survive?

Sadly, the personal bills continue to come in after you start up a business and you need to make provision for these! Work out your own personal SURVIVAL BUDGET by adding together all of the items that must be paid to keep you afloat in the early stages - these include living costs, food, utilities, credit cards, but NOT lavish entertaining or expensive holidays. (Well not at this point!).

How much will you need in the early stages?

Once you have started, there will be ongoing costs that you will have to consider. These could be staff wages, purchasing more stock or paying for advertising. Your cashflow forecast will give you an idea of how much income you can expect, but this may not be sufficient to cover all outgoings in the early stages. It is vital to work out what the difference could be in the worst case scenario and build this cost into your financial planning.

How much do you need to raise?



Total start up costs
+
Amount required to see you through the early stages (including your survival income)

—
=
How much money you have already

Total that you need to raise.

The more money that you can put in yourself, the better. Borrowing usually involves either the payment of interest or giving up a share of your business.

"QUOTE UNQUOTE"

"A lot of people have become pessimists from financing optimists!"

CT JONES

MONEY

Other lending sources

The world of funding has changed dramatically over the past few years. Whereas the banks used to be virtually the only player in town, there are now numerous other options. We have tried to describe as many as possible here but please do take professional advice before proceeding with any financial commitment.

Use your personal assets

Using personal equity, such as savings or re-mortgaging your house can give you the freedom to run your business your way. However, it is important to draw up a business plan, mapping out when you expect to see a return and what you can afford to lose.

Bring in partners

If you're a sole trader you could consider taking on partners to raise finance. You'll need to negotiate what share of the profits each person will receive, agree how decisions are going to be made, and decide who is going to take on responsibility for

the roles within the new business. A written partnership agreement should definitely be drawn up before you start to trade.

Persuade customers to pay upfront

Larger organisations can sometimes be persuaded to pay upfront to fund a project or product you are developing if they need it for their own business. It may also be worth offering more favourable terms to customers who are prepared to pay a deposit in advance.

Friends or relatives

'Friends, Family and Fools' are a good potential source of investment because they know you and believe in your ability. However, try and keep the transaction on a business level. Explain that there are no guarantees. Friends and family must understand the high-risk nature of the venture and that there is a strong chance they might not make as much as they anticipated, or might even lose their investments completely.



DID YOU KNOW? The Body Shop group was formed with a £3,000 loan from a family friend. When the company was sold to L'Oréal in 2006, founder Dame Anita Roddick and her husband reportedly received over £100million - but friend Iain McGlenn made £150 million!

CROWDFUNDING EXPLAINED

Crowdfunding has been growing steadily around the globe and predictions are that this phenomenon is set for even greater expansion in the next few years. So, what is it and how can it help entrepreneurs get funding and support for a project?

Let's start with a quick definition: Crowdfunding is the process whereby many people (the crowd) offer small amounts of money (funds) to a project they think will create value (the vision).



When talking about crowdfunding we often use the term 'campaign' to describe the process of communicating with the crowd. A good definition of a campaign is: a planned set of broadcasts that aim to motivate the crowd into adding value to a project within a given timeframe. A campaign is really about canvassing people for their support to a cause of some description. In crowdfunding it is always about asking people (the crowd) for their consent to develop the vision you want to create, we call this crowdconsent.

In principle this is very straightforward. The reality of course is that crowdfunding is a little more complex. Especially when you consider there are actually five distinct models to choose from. To help remember these, I created the acronym DREIM, which stands for: Donation, Reward, Equity, Interest and Mixed. Crowd motivation changes with each model which is briefly outlined below.

Donation is straight forward philanthropy. It is open to charities, non-profits and some co-ops. Motivation in this model is for the warm glow of knowing the crowd has done something good for a charity or social cause. This could be on any scale from local skate park to a major international response.

Reward is by default the most common model of crowdfunding people think of because of the bigger US platforms that tend to dominate the media (like Indiegogo or Kickstarter). This model is often for funky new kit that gets produced in some back street garage or a trendy new design of an old favourite. Motivation for the crowd in this model is social capital (i.e. being the first to have a connection with the latest gizmo). This is one of the fastest growing areas of crowdfunding (Indiegogo and Kickstarter together have an average of 500 projects per day). This is a problem for smaller projects as they are all competing to be heard in a very crowded space.

Equity is by far the most complicated model because of the legal framework entrepreneurs have to be able to comply with. Motivation is in the first instance for the potential returns the crowd can gain. The UK government has also introduced the EIS (Enterprise Investment Scheme) and the SEIS (Start-up Enterprise Investment Scheme) where by investors can get favourable tax reliefs for their investments in early stage enterprises.

Interest is straight forward debt. Established companies with a good trading history can apply for debt from the crowd and pay this back with interest just as they would with their bank or other lending institution. Motivation for the crowd here is the return of their capital plus a little extra in interest.

Mixed is just as it sounds a mix of crowdfunding models. It tends to be used with Reward + one other model of crowdfunding. Done in phases this is still quite an uncommon crowdfunding strategy as it means two quite distinct campaigns need to be created. However, the benefits can be massive when it is done right.

With the increasing use of crowdfunding as a main stream funding route you need to have a polished campaign. Read the full article at: www.syob.net/downloads/crowdfunding.pdf

Chris Buckingham – I am the author of Crowdfunding Intelligence and strongly advice you grab a copy and read through it before you launch. There are lots of helpful explanations and some much deeper insights in the book. www.minivation.co is an accompanying site to the book and here you can find a raft of additional templates and helpful tips for a campaign. For crowdfunding curation follow my twitter account @minivation and for questions or to spread the word on what has worked for you use @CrowdedChris.

EUROPEAN FUNDING

Small and medium-sized enterprises (SMEs) represent over 99% of businesses in the EU. One of the main objectives of the European Commission is to support their growth and innovation. The financial environment has been considerably improved so that SMEs could get a better access to finance in order to maximise their competitiveness.

EU funding for SMEs

COSME: Competitiveness of Enterprises and Small and Medium-sized Enterprises is managed by the European Commission through the Executive Agency for Small and Medium sized Enterprise (EASME) <http://ec.europa.eu/easme/en> which is a programme specifically designed to support SMEs. With a budget of €2.3bn from 2014 to 2020, COSME will support SMEs in their access to finance and markets; supporting entrepreneurs; and improve the conditions for business creation and growth. http://ec.europa.eu/growth/smes/cosme/index_en.htm.

Enterprise Europe Network <http://een.ec.europa.eu/>, funded by COSME, helps SMEs to find business and technology partners, and understand EU legislation.

EU Investment Bank (EIB) provides finance and expertise for investment projects as an alternative to traditional banking services (guarantee, microfinance institutions, private equity and venture capital funds across Europe). More information: <http://www.eib.europa.eu/projects/priorities/sme/index.htm>

Erasmus for Young Entrepreneurs is an exchange scheme, allowing new entrepreneurs to learn from experienced entrepreneurs. The "young" entrepreneur can apply to spend from 1 to 6 months in another EU country with an experienced entrepreneur and will receive EU financial support to help with travel & daily living costs. <http://www.erasmus-entrepreneurs.eu/index.php?lan=en>

Horizon 2020 SME Instrument is for SMEs with innovative and growth potential to become world-market leaders. SMEs could receive up to €2.5million in funding, business support and mentoring. Business innovation support could be found under the section Societal Challenges and the specific part Leadership in Enabling and Industrial Technologies. <http://ec.europa.eu/programmes/horizon2020/en/h2020-section/sme-instrument>.

ESIF, European Structural & Investment Funds where the European Regional Development Fund (ERDF) with €57 billion includes 20% of funding allocated explicitly to SMEs. http://ec.europa.eu/contracts_grants/funds_en.htm

Access to finance: Video presentation: https://www.youtube.com/watch?v=N_24hdG8Z20&list=PLImEREKFYU8W_-qmHYDICCBBuLfdQPj9j. More information: http://europa.eu/youreurope/business/funding-grants/access-to-finance/index_en.htm

Other useful sites

Micro-Finance: EaSI, Employment and Social Innovation Programme is dedicated to microfinance and social entrepreneurship finance. EaSI helps the SME by providing loans of up to € 25,000 to individuals for setting up or developing their business. <http://ec.europa.eu/social/main.jsp?catId=1081&langId=en>

EU Tenders: TED is the EU Official Journal for tenders. SMEs can browse, search and sort procurement notices by country, region, business sector and more. <http://ted.europa.eu/TED/main/HomePage.do>

EU Business Portal: http://ec.europa.eu/small-business/index_en.htm

Practical guide for business in Europe: http://europa.eu/youreurope/business/index_en.htm



Author: Laurie Barriol, Inspire-EU Consultancy

Inspire-EU is a European Funding Consultancy based in Southampton (UK) providing EU project development and management support focused in EU funding for artistic, cultural, educative and social projects making a positive difference. The company is also organising EU funding workshops and EU monthly newsletter.

"EU funding for artistic, cultural, educative and social projects making a positive difference"

www.inspire-eu.com

E-mail: laurie.barriol@inspire-eu.com

Tel: +44 (0)7539 679 247

Twitter: https://twitter.com/INSPIRE_EU_com

LinkedIn: uk.linkedin.com/pub/laurie-barriol/11/128/330/

MONEY

Start Up Loan Fund

The Government's Start Up Loans scheme was originally set up to help under 30's but is now open to everyone. It offers loans of up to £25,000 to pre-starts and businesses which have been operating for less than 24 months. The money has to be repaid over terms of up to five years, with interest payable. A mentor is appointed to assist every successful applicant and this could be as valuable as the loan itself.

Bank loan

Banks are still in the lending game but you will not be surprised to learn that they are only keen to support robust proposals which do not expose them to unnecessary risk. This generally means that they will expect you to be supplying a sizeable chunk of the money required and will often ask for this to be backed up with some sort of security. Your application will have to be accompanied by a robust business plan and cashflow forecast but please bear in mind that most favourable lending decisions support realistic rather than wildly optimistic projections.



Free guide available from www.startuploans.co.uk

Bank overdraft

Interest rates will be higher than longer term lending but ideal if you have short-term or a need for intermittent finance.

National Enterprise Allowance Scheme

Available to suitable applicants who are in receipt of qualifying benefits and meet the programme's criteria. Loan funding and business support is included.

Private investors

This will require you to sell part of your business in return for an agreed amount of money. The investor will be showing faith in your idea but will also want to see a financial return. This is one of the quickest and easiest ways of obtaining funding if you know the right person. It could also be advantageous if the individual brings relevant experience, knowledge, and/or contacts. However, do think very carefully about the effect that this will have on your control of 'your' business and the true long term cost of the arrangement.

The government have introduced a couple of schemes to encourage private investors and the tax advantages that they bring have made it an attractive proposition.

- **The Seed Enterprise Investment Scheme (SEIS)** is designed to help small, early-stage companies raise equity finance by offering tax reliefs to individual investors who purchase new shares in those companies. SEIS is intended to recognise the particular difficulties which very early stage companies face in attracting investment, by offering tax relief at a higher rate. <https://www.gov.uk/guidance/seed-enterprise-investment-scheme-background>
- **The Enterprise Investment Scheme (EIS)** is designed to help smaller higher-risk trading companies to raise finance by offering a range of tax reliefs to investors who purchase new shares in those companies. <https://www.gov.uk/government/publications/the-enterprise-investment-scheme-introduction>

MONEY



Competitions

Keep your eyes open for ‘Dragon’s Den’ style competitions. Not only do they offer the chance of winning cash prizes or investment, they are a great way of letting the world know about your business.

Peer-to-peer lending

Peer-to-peer lending, abbreviated P2PL, is the practice of lending money to unrelated individuals, or “peers”, without going through a traditional financial intermediary such as a bank or other traditional financial institution. Zopa (www.zopa.com) is the UK’s largest peer-to-peer lending service but there are more and more appearing every day as this is an arrangement which could work well for everyone involved.

Prince’s Trust

If you’re aged 18-30, living in the UK, and unemployed or working fewer than 16 hours a week and have a business idea or some ideas to explore, then they can help with the rest. This includes transforming your idea into a watertight business plan, as well as supporting you with a fantastic package of training and funding. <https://www.princes-trust.org.uk/help-for-young-people/support-starting-business>

European funding

There are numerous European funds designed to help SMEs but they are often related to either overseas trading or job creation. See article overleaf for full details.

Invoice financing

Invoice financing is where a third party agrees to buy your unpaid invoices for a fee. There are 2 types of invoice financing in the UK.

‘**Factoring**’ – also known as ‘debt factoring’ – usually involves an invoice financier managing your sales ledger and collecting money owed by your customers themselves. This means your customers will know you’re using invoice finance.

Invoice discounting - with ‘invoice discounting’, the invoice financier won’t manage your sales ledger or collect debts on your behalf. Instead, they lend you money against your unpaid invoices - this is usually an agreed percentage of their total value.

Leasing and asset finance

Leasing or renting assets (e.g. machinery or office equipment) can save you the initial costs of buying them outright.

Business angels

Are a particular type of informal investor, usually a successful entrepreneur, who is willing to invest in high-risk, high-growth firms at a very early stage, and adds value by supplying hands-on business advice.

The UK Business Angels Association is the national trade association representing angel and early stage investment in the UK. (England, Wales and Northern Ireland).

<http://www.ukbusinessangelsassociation.org.uk>

Venture capital

A source of money for start up companies, particularly for those with high growth potential. In return for their investment, the venture capitalists generally receive significant ownership of the company and seats on the board. The BVCA is the industry body for the UK private equity and venture capital industry.

<http://www.bvca.co.uk/>

Crowdfunding

(See full page in this chapter)

GRANT FUNDING

A wise entrepreneur once told me that there were three components for a successful business; a good idea, strong management and adequate finance. Without any of these in place, the business would not be a success. This article looks into the third of these pillars of business start-up, investment, often the one that holds back otherwise rapid progress towards a high-growth business.

Alongside loans and equity finance, there are upwards of 4,000 national and EU grants for UK businesses, totalling £10bn. So the law of averages would suggest that there is at least one grant suitable for your business. The challenge then is knowing where to look and how to access it.

Grant funding - Equity free finance for business

Government grant funding schemes exist to help build a strong economy, with a particular focus on supporting small and medium sized businesses (SMEs) and job creation. Although SMEs make up over 99% of all business in the UK many business owners don't benefit from grant funding as they either don't know about them or regard them as too difficult to access. But from your artisan bakery to a global software company, there really is a grant for everyone.

What types of grants are available?

Regional & National UK Grants: Grants available to a wide range of businesses include grants for apprenticeship schemes, funding for businesses that are looking to export.

For technology based or innovative startups seeking funds for market research or proof of concept there are the InnovateUK competitions, plus little-known private grants such as Nesta's social innovation schemes.

EU Grants: For technology-based companies, these include Horizon 2020, a new EU innovation funding scheme with a budget of 79 bn euro and Eurostars, which allows UK SMEs to partner with international companies on large-scale technological projects.

Sector-specific Grants: These are as varied as the number of industry sectors themselves, such as niche funding programmes for healthcare innovations coming from the Maudsley Charity, NHS Fund, Creative England and others.

This is just a tiny sample of the many of grant funding possibilities available, and it does take time to tailor the grants to your individual client's needs. And once you start to look into different funding schemes, delve into a mountainous stack of abstract criteria and instructions, it is tempting to:

- (a) give up overwhelmed by the sheer amount of unintelligible legal speak
- (b) pen a half-baked application that falls flat on its face.

Short of contacting a specialist grant funding agency, what else can you do to significantly improve your chances of getting a grant?

Five top tips for Grant funding

Here's five top tips which might help you avoid the most common mistakes companies make. And, without further ado, here they are:

1. Understand the political and social aims of the grant

Every government grant scheme exists to further the political and social agenda of the funding body. The key is to understand the agenda and spell out how your proposed project would fulfil it.

Sometimes this agenda is explicitly stated in the application criteria, but often you need to dig deeper to find it. For Innovate UK Smart grants, for example, showing how your project will increase employment and produce spillover effects throughout the UK economy is an often overlooked yet important aspect of the grant application.

2. Highlight your team's credentials

Funding bodies want to know why they should fund you and not your competitor. Do not mistake grants for charity money; the government, like an investor, looks for solid ROI and it is your job to show that you not only have a brilliant idea, but also the ability to execute it.

GRANT FUNDING (CONTINUED)

Funding bodies need to see a clear and convincing case for your credentials, and especially your track record. Past achievements, awards, powerful partnerships are some aspects you better hone in on in order to leave no doubt that your company deserves a grant.

3. Provided evidence and quantify the business opportunity

Too often grant applicants focus on their product at the expense of the specific problem they are addressing and the market opportunity the solution might open up. Funding bodies want to see evidence of a big and rapidly growing market, backed up by credible statistics whenever possible.

4. Have a clear commercialisation strategy

For the purposes of grant funding for a new product or service, a highly specific vision, strategy and implementation plan go a long way. You need to have a route to commercialisation that would produce decent ROI. Know your customer segments; the chunk of the market you can reasonably win and over what time period; your revenue streams and pricing strategies for each one; your distribution channels and key partners. Better still, show how you are already validating each of those.

5. Check your Technology Readiness Level (TRL)

Most grant schemes fund projects at a specific TRL ranging from an idea to a market-ready, finished product. One mistake we often see is when companies just have an idea and apply for a grant to develop it. Unfortunately, that's not quite how most small business grants work. Even Innovate UK Smart Proof of Market usually funds "new" ideas building upon old and proven concepts and products.

Another common mistake is when a product is already in the market. Since most business grants aim to bridge the gap between research and commercialisation, such products are deemed too mature for grant purposes. Keep in mind that we are talking about projects here. A company may well have a successfully commercialised product and still apply for a grant to fund new development (that could be building upon its old product or be a completely new innovation project).

So where to start?

Here are some tools to help you find out about various schemes so you can stay up-to-date with current offerings:

UK Gov. grant finding websites:

<https://www.gov.uk/business-finance-support-finder> (for general information)

<https://www.gov.uk/government/organisations/innovate-uk> (for technology)

<https://www.gov.uk/government/policies/boosting-private-sector-employment-in-england> (regional grant funding)

European grant funding: <http://ec.europa.eu/growth/smes/cosme/>

Manufacturing: <http://www.batbusinessservices.co.uk/mas-grants>

Finally, there is help out there for entrepreneurs, and some of it is free. For instance InnovateUK's mission is to fund, support and connect innovative SMEs to accelerate sustainable economic growth. It has supported the establishment of Catapult Centres as innovation centres for businesses, scientists and engineers to come together and access niche technical expertise, infrastructure, state-of-the-art facilities and equipment to bring products and services to market faster.

There also Knowledge Transfer Networks which act as innovation hubs for individuals to find resources, information, events, special interest groups and social networks across scientific, technological and creative sectors.

I hope this feature is of some reassurance to SMEs and startups fearing entrenched bureaucracy and encourages you to consider grant funding as an external investment route. If you do, just remember to stay focussed on what's important – your business.

Robert Bentley – Wessex Partnerships www.wessexpartnerships.com

Wessex Partnerships is a specialist grant funding consultancy that connects businesses that need funding with expertise that can get it, with over £60m secured in 15 years.

MONEY

Research & Development Tax Credits

HMRC to pay cash to companies that are doing innovative R&D. If you're a "tech start-up", you may well qualify. You can get up to 25% of your R&D spend refunded each year after you file your accounts.

<https://www.gov.uk/guidance/corporation-tax-research-and-development-rd-relief>

Funding finder

Find government-backed support and finance for business, including grants, finance and loans, business support. Search by location, size and activity. <https://www.gov.uk/business-finance-support-finder>

Better Business Finance

Better Business Finance provides impartial information and support to businesses and entrepreneurs looking to develop and grow; whether the business is seeking finance, starting out or exporting abroad.

<http://www.betterbusinessfinance.co.uk>

The Gov.uk website

Has a section dedicated to finance and support for your business. It helps you locate government-backed support and finance for business, including: grants, finance and loans, business support eg mentoring, consultancy, funding for small and medium-sized businesses and start-ups. You can customise your search by location, size and activity.

www.gov.uk/business-finance-support-finder

Your local authority

has a vested interest in encouraging new businesses to be formed in the area. Not only is it good for the economy generally, you may be creating new jobs, and/or occupying commercial property which will generate more income for them. Local Authority grants tend to be quite modest and often about £250-£500.

Your Local Enterprise Partnership (LEP)

Local enterprise partnerships are partnerships between local authorities and businesses. They decide what the priorities should be for investment in roads, buildings and facilities in the area.

So far 39 local enterprise partnerships have been created. See the full list and map of local enterprise partnerships at:

<https://www.lepnetwork.net>

Your local Enterprise Agency

The National Enterprise Network is a unique membership body representing business support organisations in the UK. Their local help finder will point you in the direction of an agency near you who may well be able to tell you what grants are available in the area.

www.nationalenterprisenetwork.org

GRANTfinder

Is a grants and policy database and includes details in excess of 8,000 funding opportunities. Services include access to: a flexibly searchable database; Newsflash service; deadlines listing; and Research Help Desk. What's more, and information is continuously updated.

<http://www.grantfinder.co.uk>

UK Business Funding Centre

Have a Funding Finder engine to explore funding schemes for your UK small business. <http://www.ukbusinessgrants.org/>

Free Funding Report

<https://www.syob.net>

If you need to raise some money for your new or existing business and would like to know what options are open to you (without any obligation), we will be happy to send you a FREE guide which explains all of these 'new' funding choices in simple English. See your local funding page on our website.

UK Export Finance (UKEF)

<https://www.gov.uk/government/organisations/uk-export-finance>

The UK government's credit agency, UK Export Finance provides a range of services to companies in the UK. These include helping businesses win export contracts by providing attractive financing terms to their buyers, fulfil orders by supporting working capital loans, and get paid by insuring against buyer default.

8

Accountancy & Tax

It goes without saying that HMRC will take a keen interest in your new venture. Legally, you are obliged to supply them with information that will determine how much tax, National Insurance, and possibly VAT that you will have to pay. This chapter gives you a simple overview of the key points, but we strongly recommend that you take professional advice. If you are not an accountant yourself, it is probably best to engage someone who is and to get on with what you do best - make the money.

KEY ACCOUNTING DATES

HM Revenue and Customs (HMRC) must receive your tax return and any money you owe by the following deadlines. The tax year starts on 6 April and ends on the following 5 April.

Key Dates for Self Assessment	
April	<p>HMRC sends a reminder telling you to complete a tax return.</p> <p>To complete your tax return online you must be registered to use the Self Assessment online service. If you registered online as newly self-employed from April 2014, then you may already be registered for Self Assessment Online. If you are not registered, go to: www.gov.uk/log-in-register-hmrc-online-services</p> <p>Complete your tax return using the records you have kept. You will be provided with an immediate calculation of tax and NI contributions due.</p> <p>If you wish to complete your self assessment tax return on paper, ring the Self Assessment Orderline to ask for the forms.</p>
31 October	<p>This is the deadline for paper tax returns. HMRC will work out the tax and Class 4 NI contributions and let you know how much you must pay, before the due date of January 31. If you miss this deadline, you must submit your return online.</p>
31 January	<p>This is the deadline for online tax returns. You must pay the balance of any tax and Class 4 NI contributions you owe by this date. You may need to pay a first payment on account for the following tax year by this date.</p>
31 July	<p>You may need to pay a second payment on account by this date.</p>

Penalties

Penalties can be charged if you make an error in your tax return or other documents. Therefore, you should show HMRC that you have taken reasonable care by keeping accurate records checking with HMRC when you don't understand something, disclosing any error you discover in any return or document that you have previously sent to HMRC.

How do you pay?

HMRC recommend that you make payment electronically. You can:

Pay by debit or credit card over the internet using a service called Billpay, or Use your bank/building society services to pay over the internet or telephone.

HMRC accepts Faster Payments and you can contact your bank for further details. More information on how to make a payment can be found at: www.gov.uk/pay-self-assessment-tax-bill

If you find you can't pay your tax bill the most important thing is not to ignore it. If HMRC has contacted you about an overdue payment, you should contact them. Call the Business Payment Support Service on 0845 302 1435 with any issues.

What do you pay?

Your bill for tax and/or Class 4 NI contributions will depend on your taxable income. Everyone is entitled to a certain amount of income without paying tax, called Personal Allowance. In the tax year 2015-16, the allowance is £10,600.

Budgeting for your tax bill

You can budget for your tax bill by using the ready reckoner tool on the HMRC website - www.hmrc.gov.uk/tools/sa-ready-reckoner/index.htm

ACCOUNTANCY & TAX

Do we need to be afraid of accounting and taxation?

The answer is NO! Yet many business owners, both start-ups and existing ones feel these are part of some mysterious science that only accountants can understand.



Actually it's about simple arithmetic, knowing where and how to enter the numbers and what story they're telling us.

When most potential start-up owners are asked what they know about financial management, they'll either reply "nothing" or "not very much".

But we are all financial managers. We receive and spend money every day – the difference between personal finance and business finance is only a matter of scale – and knowing the jargon (see glossary of financial terms overleaf).

Once you know the basics and with a few hours training, you'll be able to do all your own financial work yourself, if you wish, certainly in the early stages.

The key considerations:

Cash flow

- What income we're receiving and when
- What we have to spend and when
- How much money we have in the bank now and in the future
- Credit Control – vital – keeping a track on payments due from customers

Bookkeeping

- This is about how to record all transactions, expenses, credit/debit card payments and petty cash
- If doing your own books, do it on a "little and often" basis – don't let paperwork build up in piles.

Break-even analysis

- How much we have to sell in order to make an overall profit
- What our pricing structure should be
- Controlling costs
- Profit and Loss Accounting
- Are we earning more than we're spending?

Balance sheet

- This represents the financial health of the business, a statement of assets and liabilities have in cash or in the bank, how much money is owed to you and how much money you owe to others. There are number of arithmetic tools available to extract information about how the business is performing, known as Management Ratios.

Taxation and VAT

- Those dreaded words – Yet easily dealt with provided you make provision for what's owed and don't regard tax due on income or VAT collected as YOUR money – it isn't, so just put it aside and pay what's due, when it's due, without having nightmares about it.

ACCOUNTANCY & TAX

- It's very simple for small businesses to estimate both their Tax and VAT liabilities.
- Important legal point. If you employ a bookkeeper or accountant and they make a mistake in Tax or VAT returns, YOU are legally responsible – you cannot use the excuse that you didn't know.
- Bearing the above in mind, therefore, it's best to know as much as you can about the financial state of the business on a day to day basis, so when you're signing a Tax or VAT return, you'll at least have a feel for whether the figures are correct.
- Open a deposit account to transfer money from your current account that you calculate you'll need to pay your Tax and VAT.

Forecasting

No element in business is separate from any other element – it's all inter-connected. For example, when preparing a cash flow and profit and loss forecast, you'll need to know your sales potential and an accurate estimate of future expenditure, including the cost of raw materials, staff, rent, equipment – and so on – whatever is appropriate to your business.

Your pricing, volumes and frequency of sale should be estimated from your market research. Ensure your pricing is going to produce profits and don't fall into the trap of believing that offering lower prices than the competition will bring you success.

Your business plan should be an integrated piece of work that reflects the viability of your business idea – and don't forget that the business plan is for YOU – to prove to yourself that your idea will succeed, is sustainable and scalable – there's no point in fooling anyone, including yourself, by producing false forecasts on the basis of getting investment or a loan from the bank – if the forecasts are not based on market evidence, the business is likely to fail.

Any investor or lender is much more likely to provide the funds that you need if the forecasts are based on market evidence rather than pie in the sky. When you apply for finance, don't be anxious that you're asking for too much – you'll need what your business plan requires and that your forecasts reflect – investors and banks will respect your thoroughness.

Working capital

This is the amount of money you need to pay for the day to day running of the business and to meet all your liabilities. Many, many businesses fail because they do not estimate their financial needs at start-up correctly, i.e. they do not calculate the working capital they'll need to get them through the early stages of their business life.

Unless you're very fortunate, you're unlikely to be making profits in the early stages and it might be difficult for you to obtain credit from suppliers – so you need to account for this in your calculations for start-up capital – as well as knowing that if you extend credit to your customers, they'll never pay you on time!

VALUE ADDED TAX (VAT)

You must register for VAT if your taxable turnover exceeds the VAT threshold in any 12 month period, or you expect it to exceed the VAT threshold within the next 30 days, or you take over an existing VAT registered business as a going concern. You have 30 days from the date you meet any of these criteria to register.

Usually, VAT registration can be completed online and if you apply online, you will be enrolled automatically so that you can submit your VAT return online (there is no longer a paper version).

The VAT threshold can be found at: <https://www.gov.uk/vat-rates>; if your turnover is below the registration limit, you can choose whether to apply for voluntary registration. The standard rate of VAT at the time of going to press is 20%.

GLOSSARY OF FINANCIAL TERMS

This is a guide which will help your understanding of accounting terminology - do an exercise with your own business forecasts and plans and identify how each definition applies to elements of your business.

Asset: Assets fall into two categories: **(a) Fixed Assets.** Machinery and equipment the business needs to provide products and services. **(b) Current Assets.** Finished goods with a sales value, cash balances at the bank and people and companies who owe the business money .

Books: Books of Account are the means by which all financial transactions are recorded.

Break-Even: The Break Even Point is the trading level, measured either in terms of total sales value or total number of units sold.

Capital Equipment: This is equipment purchased specifically to manufacture product (e.g. machinery). It will be subject to depreciation (see below).

Cash Flow: The term used for the payments and receipts when they happen. It is not a measure of profitability.

Costs: **(a) A Direct Cost** is a cost which is directly related to sales and production. Examples are: raw material costs, manufacturing wages, distribution costs, workshop or factory power. **(b) An Indirect Cost** is a cost that is not directly related to sales value. Examples are: rent, salaries and wages, business rates, office expenses, office equipment, non-manufacturing wages, phones. **Overhead:** The overhead is the total of all indirect costs. Direct costs are likely to vary with sales volume. Indirect costs have to be paid irrespective of the level of sales.

Creditor: A creditor is a person or company that the business owes money to. e.g. Suppliers, VAT office, Inland Revenue, bank (loans and overdrafts), employees, outworkers.

Debtor: A debtor is a person or company that owes the business money.

Depreciation: This is an accounting procedure which allows for the loss of value of fixed assets over time. It is regarded as a cost.

Drawings: Monies taken out of the business for personal use by a sole trader or partners in a partnership.

Gross Profit: The Gross Profit is the difference between Total Sales and Direct Costs.

Liability: A liability is money owed by the business to creditors.

Liquidity: This is the term used to describe the availability of cash in the business and is directly related to working capital (see below).

Net Profit: Net profit is the gross profit (see above) less overhead (see above). The net profit determines the level of taxation.

Over-Trading: This is the term used to describe the situation when the business does not have sufficient cash to finance increases in sales.

Profit and Loss A/C: This is a financial statement showing a summary total of all transactions undertaken by the business during a specific trading period .

Working Capital: Working Capital is the amount of readily available cash in the business needed to meet the day to day costs and liabilities of the business.



ALLOWABLE EXPENSES

Allowable business expenses

An allowable business expense is money spent on the day-to-day running costs of your business. This can include things such as rent, lighting and heating of business premises, telephone and running costs of vehicles used in the business.

EXPENDITURE	Non-allowable	Allowable
Cost of goods bought for resale or goods used	Cost of goods or materials bought for private use, depreciation of equipment.	Cost of goods bought for resale, cost of raw materials used, direct costs of producing goods sold, adjustments for opening and closing stock and work in progress, commissions payable, discounts given.
Car, van and travel expenses	Non-business motoring costs, fines, costs of buying vehicles, travel costs between home and work.	Car/van insurance, repairs, servicing, fuel, parking, hire charges, vehicle tax, motoring club membership, train, bus, air, taxi fares, hotel costs and meals on overnight business trips.
Wages, salaries and other staff costs	Own wages, and drawings, pension payments or NI contributions, payments made for non-business work.	Salaries, wages, bonuses, pensions and benefits for employees, agency fees, sub-contractor labour costs, employer's NI contributions.
Rent, rates, power and insurance costs	Costs of any non-business part of premises, costs of buying business premises.	Rent for business premises, business and water rates, light, heat, power, property insurance, security, use of home as an office (business proportion only).
Repairs and renewals of property and equipment	Repairs of non-business parts of premises or equipment, costs of improving or altering premises.	Repairs and maintenance of business premises and equipment, renewals of associated small tools and items of equipment.
Accountancy, legal and other professional costs	Legal costs of buying property and large items of equipment, costs of settling tax disputes and fines for breaking the law.	Accountants, solicitors, surveyors, architects and other professional fees, professional indemnity insurance, trade or professional journals and certain subscriptions.
Interest on bank loans, credit card and other financial charges	Repayment of the loans or overdrafts, or finance arrangements.	Interest on bank and other business loans, overdraft and credit charges, hire purchase interest and leasing payments.
Phone, fax, stationery and other office costs	Non-business or private use proportion of telephone, fax, computer hardware or other equipment costs.	Telephone and fax running costs, postage, stationery, printing and small office equipment costs, computer software.
Other business expenses	Payments to clubs, charities, political parties, costs of ordinary clothing. Entertaining clients, suppliers, customers, family and friends.	Protective clothing, advertising, mainsheets, free samples, website costs.

ACCOUNTANCY & TAX

National Insurance

If you are self-employed you will have to pay National Insurance contributions (NIC).

You pay two different classes of NIC if you are self-employed – Class 2 and Class 4.

Class 2 NIC are a fixed weekly amount – assuming your profits are above the small profits threshold.

Class 4 NIC are based on the level of your self-employed profits.

For latest rates and a fuller explanation see: <https://www.gov.uk/self-employed-national-insurance-rates>

Records

It is very important that you set up a record keeping system and keep all records and supporting documents. You must keep your records for at least 5 years after the 31 January submission deadline of the relevant tax year. HM Revenue and Customs (HMRC) may check your records to make sure you're paying the right amount of tax. You must keep records of all money coming into and going out of your business including all cash, cheques and credit card transactions.



Useless fact - Luca Pacioli is regarded as the Father of Accounting & Bookkeeping and he died 500 years ago!

Your records should be adequate to allow you to complete an accurate Self Assessment return.

You will be expected to keep a full record of:

- All sales made and other business income, as it is earned.
- The cost of all business expenses and purchases as you pay them, no matter how little they cost.
- All purchases of business stock, goods and raw materials.
- Mileage records.
- Capital expenditure; keep a separate record of all purchases and sales of business equipment, machinery and vehicles, together with the receipts.
- Keep a record of the market value of equipment or vehicles introduced into the business that you owned before starting your business.

Accounting period

You may find it useful to organise your records into accounting periods. These normally last for 12 months although they can be for longer or shorter periods, and end on a date which you choose. Your first accounting period begins on the date you started in business and ends on the date you close your accounts each year and calculate profits. For example, you could close your accounts on 5 April to coincide with the end of the tax year. If you select a date other than 5 April you may have to do some additional calculations.

Business expenses

You can deduct, from your profits, all you spend for the sole purpose of earning business profits. You cannot claim anything you spend for a non-business purpose, for example, premiums on personal insurance policies, Income Tax, personal National Insurance contributions or drawings. What you spend the money on affects whether you can get tax relief for it.

ACCOUNTANCY & TAX

Allowable business expenses

An allowable business expense is money spent on the day-to-day running costs of your business. This can include things such as rent, lighting and heating of business premises, telephone and running costs of vehicles used in the business.

Capital expenditure

Capital expenditure is money spent on items you would expect to last for a number of years. They are referred to as assets and would include items such as equipment, machinery and vehicles.

Do not include these costs in your day-to-day business expenses, as special rules apply. You may be able to claim capital allowance but the amount you will depend on a number of factors, such as the type of asset purchased and when it was bought.

Private expenses

Where expenses relate to both business and private use, only the business part is allowable.

For example, rent, rates, lighting and heating bills for premises and telephone charges could be partly for business and partly for domestic purposes.

Where there is both business and private use, cost must be apportioned to claim only the business part.

If you use a vehicle for both business and private use, there are two methods that can be used to calculate business motoring expenses. Whichever method you choose, you must keep mileage records to calculate the split between business and private use.

Home to office (or fixed place of business) is classed as a private journey and is not allowable.

"QUOTE UNQUOTE"

"This may be a company car but I own the company!"

Motor expenses

Motor expenses are classed as an "allowable expense" if the mileage is wholly and exclusively for business purposes. It can include travel to a temporary work place but it doesn't include:

Normal travel between home (or anywhere that is not a workplace) and your permanent workplace.

There are two ways of working out motor expenses if you're self-employed.

A fixed rate for each mile travelled on business, using HMRC fixed mileage rate.
Actual expenses, using detailed records of business and private mileage

Capital allowances

You can claim capital allowances when you buy assets that you keep to use in your business, e.g.: equipment, machinery, business vehicles, e.g. cars, vans or lorries

If you're a sole trader or partner and have an income of £82,000 or less a year, you may be able to use a simpler system called cash basis instead. In most cases, the value is what you paid for the item.

Bank Account

Although not a legal requirement, we would strongly encourage you to operate separate personal and business bank account. This will help you obtain a much clearer instant view of the true financial position and will make accounting to HMRC far simpler.

Summary

As you will have gathered from this overview, there is quite a lot to take in and you may be best advised to engage the help of an accountant. You can spend the freed up time earning money and developing your business.

The next few pages list local firms who are keen to help you.

9

Marketing

Having a great product or service is not much good if nobody knows about it. An understanding of the basic marketing principles should give you a clearer idea of how you can present your business to the best effect, make your target market aware of your existence, and to help convert interest into paying custom.

A HANDY DEFINITION OF MARKETING



I was interested to read that the American Marketing Association, one of the best-known marketing bodies in the world, revisits the definition of marketing every five years. The latest definition reads:

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

Is that how you would describe it? I always describe it in terms of a visual image (which may confirm that I need to be taken away by men in white coats) this is a sheepdog, sheep and a sheep pen. The sheep are your potential customers, the sheepdog is your marketing material – and that marketing material is designed to persuade your customers into the sheep-pen – which is your business.

Yes, I get that so far... OK well, you cannot set off a sheepdog to round up sheep until you know where those sheep are and how they tick. In marketing terms this means it is crucial to understand the needs, wants and location of your target audience first. The sheepdog does not naturally do a great job any more than words and images just chucked onto a page will do.

It needs to understand the way to work – or if you prefer – manipulate your sheep and it does this without scaring them off or driving them in the wrong way or failing to move them at all. This is why it is handy to work with an expert sheep-dog trainer – or marketing consultant!

Where do most companies go wrong? Probably a combination of the following:

- they always do what they have always done without measuring whether this is actually working
- they mention the features but not the benefits to their customers
- they forget to differentiate themselves from their competitors (so why would I buy from YOU?)
- they do not market consistently and continually, so their message gets lost in the noise and they get rollercoaster income instead of steady business
- their marketing literature is bland, predictable and fails to engage - what I call marketing wallpaper
- they spend a fortune on marketing literature that looks great but says little and ends up in a box holding the door open because they don't know HOW, WHEN and WHERE to use it

How do you pick a marketing company?

Find out about their local reputation, look at who they work with, see if you like the way they put themselves across – if they have engaged with you they are likely to be able to engage with your potential customers on your behalf.

Jane Buswell (www.businessfulcrum.co.uk)

MARKETING

Stand out from the crowd

Marketing should be more than having some business cards printed, putting an ad in the local paper or placing a sign on the pavement and waiting for the customers to come flooding in.

Preparing a comprehensive marketing strategy will help you think about where your business will fit into the market and how to get it there. It is no good creating a fantastic product or service if nobody knows about it.

QUOTE, UNQUOTE

“Doing business without advertising is like winking at a girl in the dark: you know what you are doing, but nobody else does”

EDGAR WATSON HOWE

Market research

Your market research should have helped you to identify your target market, where they are located, what are their needs, how do they spend their money, how do they find their suppliers. The next step is to make them aware of your business and to actively encourage them to buy from you. In marketing speak this is defined as: Putting the right product in the right place, at the right price, at the right time.

You need to create a product that a particular group of people want, put it on sale in a place that those people visit regularly, and at a price that matches the value they feel they get out of it; and do all that at a time they want to buy.

There’s a lot of truth in this.

However, a lot of hard work needs to go into finding out what customers want, and identifying where they do their shopping.

Then you need to figure out how to produce the item at a price that represents value to them, and get it all to come together at the critical time.

The 7 Ps of marketing

The 7 Ps is probably the best-known way of approaching this challenge.

The 7Ps are:

1. **Product (or Service)**
2. **Place**
3. **Price**
4. **Promotion**
5. **Packaging**
6. **Positioning**
7. **People**

Product/service

- Q. What does the customer want from the product/service?
- Q. What needs does it satisfy?
- Q. What features does it have to meet these needs?
- Q. Are there any features you’ve missed out?
- Q. Are you including costly features that the customer won’t actually use?
- Q. How and where will the customer use it?



MARKETING

- Q. What does it look like? How will customers experience it?
- Q. What size(s), colour(s), will it be?
- Q. What is it to be called?
- Q. How is it branded?
- Q. How is it different?
- Q. What is the most it can cost to provide, and still be sold sufficiently profitably?

Place

- Q. Where do buyers look for it?
- Q. How can you access the right distribution channels?
- Q. Do you need to use a sales force?
- Q. What do your competitors do, and how can you learn from that?

Price

- Q. What is its value to the buyer?
- Q. Are there established price points for products or services in this area?
- Q. Is the customer price sensitive? Will a small decrease in price help?
- Q. What discounts should be offered to trade customers?
- Q. How will your price compare with your competitors?

Promotion

- Q. Where and when can you get across your marketing messages?
- Q. When is the best time to promote? Is there seasonality in the market? Are there any wider environmental issues?
- Q. How do your competitors do their promotions?

Packaging

- Q. How will your product look and feel?
- Q. What will be the first impression?
- Q. Is your style consistent?

Positioning

- Q. How do people think and talk about you when you're not present?
- Q. How do people think and talk about your company? What positioning do you have in your market, in terms of the specific words people use when they describe you and your offerings to others?

People

- Q. Have you developed the habit of thinking in terms of the people inside and outside of your business?
- Q. Have you got the right team around you to execute your plans? This can include employees as well as the wider network of support that you are going to require
- Q. Are you the right person? (Only kidding!)



Spread the word

As you will quickly discover, there are so many 'opportunities' to promote your business, you could easily spend every penny you earn on marketing. So, how can you create the maximum impact without breaking the bank?

Corporate image & design

As they say, "you don't get a second chance to make a first impression". For many of your clients, the first time they encounter your business will be online, via a letter, flyer or advertisement. It is vital to make sure that your message is as strong as if you were there in person.

A great starting point is to think about branding your business. If you think only big corporate names need to think about their brand identity, think again. Branding is all about the simple things like logo, consistent colours, fonts, style, and image. That's as true for a one person home-based business as it is for a multi-national conglomerate.

WHAT IS YOUR USP?

Marketing your business is about standing out and not blending in. The number one priority for all business owners should be to break out of obscurity. If no one knows you exist how can they ever buy from you?



You need to put as much distance between yourself and your competition as you can. The way to do this is by working on your USP.

Traditionally known as a Unique Selling Point/Proposition I decided an update for the old USP acronym was required. Would you rather buy from a company who ram a Unique Selling Point down your throat, or entice you with their UTTERLY SEDUCTIVE PROPOSAL?

In 2013 the Utterly Seductive Proposal was born. In 2014 my book 'Your Utterly Seductive Proposal' was published.

The importance of a USP to any business cannot be stressed enough. If you don't believe me [and why should you?] just try making a few marketing tools without having a USP. Start with a simple business card, a social media post, try a leaflet, write an article, plan a video or a website. Take your pick. Exactly WHAT are you going to say?

The words you use could be the important business decision you ever make. They dictate what others think and what they do i.e. if they actually buy from you.

"A USP is central to your marketing and fundamental to your sales."

How to create your very own USP

1. Identify Who is Your Ideal Target Client [ITC]?

Unless you know who/what you're aiming at, how will you hit it? If you don't know who you're trying to attract you can't possibly know if the marketing messages you're creating are likely to resonate with your ITC.

How to spot your ITC: The ITC will value your products and services, be enthusiastic in your direction, will not be overly concerned with price and will refer you to others. Take your top 3 clients and imagine 100 of them; how would your business look then?

2. Dig Deep and Answer These Questions

- What are the top 3-5 benefits of your product?
- What is it I can only get from you and no one else?
- What journey can you take me on that no one else can?
- Why should I look forward to doing business with you over anyone else?

The answers will give you your own exceptional qualities. Think about these areas:

- | | |
|---|--|
| 1. Innovation | 6. Technical superiority |
| 2. A pioneering method, process or system | 7. Zero risk |
| 3. Guarantees | 8. A promise |
| 4. Individuality | 9. Exclusivity |
| 5. Speed | 10. If all else fails think of a gimmick that you can easily be remembered by [callnorman.co.uk] |

3. Bring it all Together

The aim to create a 15-20 word phrase that powerfully conveys why your ITC should do business with you over anyone else. It's not easy. Work at it. When you have something rubber stamp it across every marketing tool you have and become known for it. Make it your anthem. Keep improving it.

This is where you need to be aiming to make your business's products and services the topics of conversations at cocktail parties and business networking events.

Good luck.

Tim Coe [USP Marketing Consultant]

THE BENEFITS OF PR



What is PR?

Public Relations is about reputation - the result of what you do, what you say and what others say about you. According to Britain's industrial leaders, reputation is a company's most valuable asset.

What can PR do for you?

1. Build awareness

If you want people to buy your product or use your service, they need to know you exist and understand your unique selling proposition (USP). This brand awareness is vital to a company's success.

Advertising may help, but PR is viewed as more reputable, providing a credibility that other promotional options do not offer. Media coverage for your story, launch or charity event, for example, can generate the necessary consumer attention and get you noticed.

2. Create interest

Stories in the media can entice your target audience to sample your product or enquire about your service. This kind of coverage, rather than paid-for advertising, can make what you have to offer more attractive.

3. Provide detailed information

A well-structured PR campaign can result in your target audience being exposed to more in-depth information about products and services.

Through articles, newsletters, social media and websites, for example, PR delivers information that can help prospective customers/clients gain a better understanding of what you offer.

4. Spread the word

Social media makes it easy for you to develop your PR and create your own publicity, if managed strategically. What better way to spread the word about your product or service than through your existing online audience?

'Word of mouth' is now also 'word of Twitter or Facebook' but it remains a vital component to the success of your business.

Any negative buzz can be handled quickly and relationships with your audience maintained.

5. Build customer relations

PR creates a beneficial opportunity for both the company and the target audience to communicate and develop a relationship.

An excellent customer relation tool, PR is intended as helpful and informative, and with social media, it can provide a 2-way conversation.

6. Manage a crisis

In building relations with your audience and the media through PR, you are better prepared to manage a reputational threat.

If you have invested time in building a reputation through the media, the public (and journalists) will be inclined to give you the benefit of the doubt should a crisis arise.

With the contacts you have developed, you will be able to respond speedily to potentially damaging issues. PR doesn't just promote, it also protects.

Is PR really necessary?

Yes! The benefits of PR are integral to the success of any organisation and no business plan is complete without its communication strategy.

Whatever your budget, it is worth investing in PR.

MARKETING

Print

At the very least, you will have to consider ordering stationery (letterheads and business cards) that portrays your business professionally. It may be tempting to print something off at home on your computer, which may save you a few pounds, but it could cost you much more in lost business.

Once you have made the decision as to what you need to get started, you need a printer. Here are some tips to ensure that you are able to find the right printer who is able to supply professional looking printed material at the right price.

- Ensure your quotes are 'like-for-like'. The best idea is to get one quote, and then use that terminology to explain what you want to other printers.
- Every printer has different equipment, and asking the same printer to print a business card and then a catalogue, is a bit like asking a motorbike courier to deliver an envelope, and then a pallet of boxes.
- Ask a trusted colleague. You will find that the most talked about printers in the town are either the best or the worst! Ask someone who they use, to sort the good, the bad and the ugly!
- Check, Check and check again. Print isn't an easy industry, so check details at every point you can. Make sure your artwork is up together and 'print-ready' to avoid extra charges, check the proofs thoroughly as strange things can happen, and make sure you check regularly with the print company to ensure delivery is on target!

Website

... but what about the web? Being one of the first places your potential clients will see your business its certainly worth serious consideration. What do you really need on your website? What should you ask a web agency and which agency should you work with? How do you spot the hidden costs? Are you comparing like with like?

These are just some of the questions that armed with the right answers will allow you to see through the many offerings available, avoid the pit falls and confidently take your company online.

Advertising

As a new business you will be bombarded with opportunities to advertise in all manner of ways. When deciding where to spend your budget, try and judge how to reach your potential customers effectively and economically. Be very wary of 'special offers' and impressive circulation figures – it is better to reach one customer who will buy than 100,000 who don't!

QUOTE, UNQUOTE

"Half the money I spend on advertising is wasted; the trouble is I don't know which half." John Wanamaker

PR

Effective use of PR can provide a strong way to get your business known. Sadly, your competition has probably realised this too. This means that you have to work extra hard to create a buzz, as only the most interesting stories will get you the free publicity that you crave. (Many publications now insist that you advertise with them before giving you 'free' editorial - even more reason to make sure that your story is genuinely 'news-worthy').



DID YOU KNOW? A West Yorkshire chip shop owner was investigated after a complaint that his shop smells of fish and chips.' Wakefield Council said it was obliged to investigate the complaint - mad, but fantastic free publicity for the business.

MARKETING

Online marketing

Internet marketing is enjoying a boom and can be relatively inexpensive. Companies can reach a wide audience for a small fraction of traditional advertising budgets because there are no print or distribution costs. The nature of the medium allows consumers to research and purchase products and services at their own convenience. (See dedicated chapter).

Networking

Business networking is more than just a way of having a friendly chat over breakfast, it can also be an extremely effective way to draw in more clientele. For most small business owners, proper networking skills are necessary for their continued existence and success.

Networking takes many forms. Whether a business owner is cold-calling clients on the phone, or meeting other business owners in the area for breakfast or lunch, the networking never stops.

Networking leads to referral business, and referral business leads to increased customer satisfaction and loyalty. (See separate Networking chapter for hints, tips, and a list of local networking clubs)

Customer service

Finding new customers can be extremely expensive, so treat your current customers well and they will keep coming back to you.

Word of mouth

Last and definitely not least. Word of mouth advertising is probably the cheapest and most effective marketing tool in your armoury. A recommendation from a satisfied customer is far more persuasive than any paid advertisement. Harness this secret weapon by asking for referrals and positively encourage your happy clients to tell their friends.

DO YOU ENCOURAGE REPEAT BUSINESS?



Businesses spend millions of pounds casting their fishing lines, hooking people and reeling them in to be customers. But once you've gained custom, just how do you keep it?

The downfall for many companies is that they don't know how to retain consumers. It seems like this has fast become the pot of gold at the end of the rainbow and few firms manage to do it well. But why bother? What are the real advantages to retention?

Studies across a number of industries have revealed that the cost of keeping an existing customer is just 10 per cent of the cost of acquiring a new one. So, economically it makes pretty good sense. Putting together a good retention strategy will also lead to increased customer profitability as the longer the relationship, the lower the account maintenance cost.

The bad news is there doesn't seem to be one particular foolproof method to keep customers coming back for more: let's face it, if there was, everyone would be doing it. But firms that can boast great success in their customer retention endeavours often have one thing in common – great customer service.

Keeping consumers happy means your actions must speak louder than your words and a proven rather than a promised commitment will put you way ahead of the competition.

YOUR MARKETING PLAN

Your marketing plan

Until a plan is written down, it is little more than a set of ideas. Writing your marketing plans makes you commit to it, makes it more organised and is something that you can refer to, action and measure against.



Marketing plan

Check out our step-by-step guide to thinking about and writing an effective marketing plan.

1. Start with the end in mind

Set specific objectives: for example, winning new customers, retaining existing customers, increasing order sizes or selling new products.

Make sure you think about the implications of your marketing plan for the rest of your business – for example, production/capacity, training requirements and cash flow.

Try and put together some basic, realistic sales forecasts and budgets.

2. Develop your 'Customer Avatar'

To make your marketing effective, you need to have a clear idea of your ideal target customer. This description is sometimes known as a 'customer avatar'.

If you plan to sell to individuals, how would you describe them? Describe them by gender, age, marital status, occupation, income, location, how many children they have and anything else that may be useful. If you plan to sell to businesses, think about company size, sector, location and what sort of person in the business you are targeting (Office Manager, Accounts Department, Managing Director etc.).

Think about the things that affect their buying decision: what, when, how and why they buy.

- Describe your market and the characteristics and size of each market segment; what are the key market trends?
- Describe your ideal customer. Are they individuals or businesses? Consider age, gender, shopping habits, social etc. For businesses, consider size, industry, location, job title etc.

YOUR MARKETING PLAN

- Where are your customers based?
- What prompts or motivates your customers to buy your products or services?
- What might trigger a potential customer to think of you – this can help you think about where to do your marketing and the message you give.
- Have you sold your product/services to customers already or do you have customers waiting to buy? If so, try and describe them in detail.
- Think about the profitability and sales potential of different groups of customers (known as market segments) and of different products or activities.

FREE WORKSHEET DOWNLOAD Download our customer avatar worksheet with examples at www.agilemarketing.agency/syob



"Sell the hole, not the drill." People do not buy 'things' they buy what the 'things' can do for them.

3. Your product 'Before & After Grid'

Be clear on your products and services. Don't try and be all things to all people. When marketing your product or service, think about the benefits not the features. For example, if you are selling firewood, you are selling the warmth (or decorative effect!) not the wood.

- Describe your product or service using as many trigger keywords as possible.
- If you think about features, think 'so what'? Always ask the extra question: 'Which means that?'. For example, I am a garden maintenance company and cut your lawn? So what? Which means that...you get your weekend back with more free time.
- Think about the benefits and value of people buying your product or service. Facts are great but appealing to peoples' emotion is better. I cut your grass so you can spend more time with your family enjoying the garden.
- Think about 'pain points' – how will you improve their life or business? Often it is useful to put this down as a 'before and after' list.
- Think about the profitability and sales potential of different groups of customers (market segments) and of different products or activities. Most companies make 80% of their profit from 20% of their products.
- Produce a 'before and after grid' in terms of haves, feelings and emotions – for example; before – you have to cut the grass, after, you do not have to cut the grass themselves. Before, you feel stressed, after, you feel relaxed. Before, you never have time at the weekend to be with your family, after, your family life is better and happier. Selling, more free time, being relaxed and being happier is far more powerful than just offering to cut the grass!

FREE WORKSHEET DOWNLOAD Download our before and after grid and sample value statement at: www.agilemarketing.agency/syob

THE VALUE OF VIDEO



The use of video to show off your business, products and services is becoming more and more popular. The future has officially arrived - a video revolution for content marketing.

As video is one of the newest ways to market and promote companies, many people still have doubts about is it worth it? Well the answer is yes!

Sales: Let's get straight down to business; video has the ability to generate some serious money.

Adding a product video on your landing pages can increase conversations and interactions by up to 80%, and studies also show that up to 74% of users who watch explainer videos online actually buy the product.

Vision is our most dominant sense - so these kind of amazing statistics for how effective video is really do add up! We all know imagery is eye-catching when scrolling through social media or on websites, so just imagine if you began adding moving images into the mix as well.

Personality: Video is the best tool in the box to get your business's unique personality out there. It's no secret that in this day and age, the internet is a crowded place, so use video as an opportunity to make you and your business stand out! This can be achieved by having a polished and punchy promotional video on the landing page of your website. Social Media will also be where your personality will shine through - from uploading short 'behind the scenes' videos of something exciting that's happening that day via your smartphone to boost interest, to posting short explainer videos and tutorials that can get your name and product spread far and wide within a few clicks!

Trust: Following on from unique personality - trust is also the foundation of sales, which means that building trust should be a priority at the top of your list. The whole idea of content marketing is based on building long-term relationships with consumers, which is ultimately them trusting that you are the real deal - so definitely put as much effort into this as possible which can be easily achieved through video.

The search engine: Google loves video! Did you know that you are 53 times more likely to show up first on Google if you have an embedded video on your website? - It's a huge thing to think about, as your ultimate aim should be to show up on the first page. It's good to note that Google now owns YouTube!

On the go: Mobile user friendly. It's no secret that nowadays video and mobile go hand in hand and a big part of this is because the world is so used to having instant information within a few clicks. People have increasingly busy lives, so having your smartphone, WiFi and 4G on tap is the reason why mobile video views have increased by a massive 400%.

Video does it all: Videos really can explain anything. Launching a new product or service? - create a video showing how it works in simple stages with polished visuals and in some cases use voice-over. Need to explain a difficult concept? - Think about using animated videos and don't be afraid of getting really creative.

Overall, if you are serious about content marketing, you must be serious about video. Video advertising is becoming more accessible, affordable, worldwide and sometimes even free - so there is plenty of opportunity to get involved and be present.

Although some video opportunities are free and easy to use (and can be highly successful), you should not always rely on this D.I.Y approach in every circumstance if you want to see real results.

Making a great marketing video for your tailored business requirements needs professional creativity and knowledge of human psychology - there is a real science behind it! All of these components together make it possible to create real miracles online.

A successful video can be spread on the internet in a matter of days, get millions of views and bring in a lot of money.

Heidi Bawden

YOUR MARKETING PLAN

4. Marketing research

Try and do some basic marketing research – if you know which ‘niche’ you want to target, carrying out marketing research enables you to build up a customer profile, which can be used to guide future marketing activity.

- Ask some potential customers basic questions about what they think about when deciding to buy
- Research what customers think and value, such as product features, quality, service and image. It is not just about price.
- Look for factual evidence, information and data online or using your local library or business support agencies (such as your Chamber of Commerce).
- Check that there is sufficient customer demand in your target area to sustain your business.
- Most importantly, when you get started, get as much customer feedback as possible.

5. Communicating with and reaching your customers

Think carefully about how you are going to promote your business and deliver your products or services. Consider the points below:

- When writing marketing materials, you should always use YOU in your text...never refer to ‘them’ or ‘our customers’ otherwise the person reading the text does not identify with what you are saying. Using ‘you’ makes it more personal and more effective. Try reading some blogs and tips on writing marketing copy and effective headlines.
- Consider how you can communicate with your customers – what publications do they read? Can you use the local parish magazines? Do you have a mailing list or e-mail list? Advertising is often too expensive but can work if it is very targeted.

- Consider how you are going to deliver your product or service to your customers (known as distribution channels). Will you sell direct, through retailers, online or via a shop?
- Think about what messages you are going to give your potential customers in order to engage them and encourage them to buy (remember have, feel, emotions)
- How will you measure customer satisfaction?
- What marketing methods will you use to reach your potential customers? Consider both online and traditional marketing methods.
- Identify customers’ buying cycles so you can time your marketing activities – are they seasonal? Are they time-sensitive based on some other factor?

FREE DOWNLOAD Download our free list of tools to communicate with customers at: www.agilemarketing.agency/syob

6. Pricing and costing

Think carefully about how you are going to price your product or service in the marketplace. Remember, it is not always about the price and some of the most successful companies are the most expensive!

If possible, you should ask some potential customers or existing customers their views on price – are they very price sensitive or is it quality that matters more?

When thinking about pricing, you should consider:

- How you will price each product or service?
 - Market pricing – pricing similar to competitors
 - Penetration pricing – gaining market share through very low margins
 - Cost plus pricing – adding a margin to your production cost

YOUR MARKETING PLAN

7. Competitor analysis

- Who are your competitors and how many are there?
- List your direct and indirect competitors and look at what they do in terms of their products, their marketing activities and their marketing messages.
- Consider why people will choose to buy from you rather than your competitors.
- Think about your 'benefits and value statement' and how your products and services compare to those of your competitors.
- What do your competitors do well? Can you do better?

FREE DOWNLOAD Download our free 'Competitor Worksheet' at: www.agilemarketing.agency/syob

8. Pulling this together as a simple Marketing Plan

A single page marketing plan that is regularly updated and used is far better than a 30-page plan that is left in the cupboard. We have covered a lot to think about and hopefully, you have now looked at your customer, your product and your marketing communications.

Now it is time to pull this information together into a simple marketing plan.

Our simple, one-page marketing plan helps you to summarise:

- Who your customers are
- What is most important to them
- Your marketing objectives
- The key actions to get you there

By completing this simple plan, it will help you to set some goals and activities which you can actually get on with.

You can then revisit your plan to see what worked (and what did not!) and update it.

It is then a matter of 'rinse and repeat' ... pick what worked from your plan, set some new actions and then continue to refine and improve your marketing.

MORE FREE DOWNLOADS: Single-page marketing plan template; Marketing Calendar

DOWNLOAD THESE AT: www.agilemarketing.agency/syob

QUOTE, UNQUOTE

'Marketing is a journey, not a destination'



10

Business Networking

The idea of business networking can seem terrifying to some people. Yet it is vitally important to business these days, a great way to make contacts and increase business without a lot of cold calling. It is actually quite easy and painless. All you need to do is attend a networking event and begin making connections for yourself and your business.

WAKE UP AND SMELL THE COFFEE!

I am no shrinking violet, but I still remember the traumas around my first foray into networking. Having stepped out of corporate life, the concept was pretty alien to me but I did realise that I wasn't going to get any work if the local business community didn't know I existed!

So, that first time, I bullied myself into getting changed to go out from the safety of my home office and into the unknown. I scolded myself about being late because I had twice come back into the house once for my mobile phone and once for my business cards.

I dragged myself to a local pub with a big neon sign over my head that said "Nervous Networker" and was immediately made welcome by a group of local business owners who shared challenges, opportunities, business gossip and quite a few bad jokes.

There is no question that networking works. The reason why, of course, is that 'people buy people'!

My advice to you is go along and try them all. Nothing is wasted; this is after all marketing in the most fun way possible and probably the cheapest! Some will fulfil your need for peer support; some will provide you with tangible business opportunities.

So some practical hints and tips.

- Avoid joining 2 people deep in conversation Look for people standing alone but looking out into the room
- Get the handshake right – firm and not clammy please
- Don't start talking before someone else has finished.
- NEVER sell directly
- Smile

The whole point of networking is to meet as many people as possible, so don't stand in a corner with your mates. To get past any discomfort you might set yourself a goal of how many new contacts you want to meet. You might also station yourself by the tea and coffee and show people how to use yet another coffee machine designed to confuse! Whatever, take the bull by the horns, walk up to people you don't know, introduce yourself and start a conversation

"Where have you come from today?"

"Whose guest are you?"

"I find these events a bit nerve-wracking, how do you find them?"

3 easy ways to get away from people who you have got stuck with!

Keep your glass with just a little liquid and say you are going to get a top up.

Go to the loo...

Say – "well its been great chatting to you but there are one or two other people in the room that I must catch up with so if you excuse me..." smile, walk away.

Never lose sight of the main aim, don't just place the business cards you have gathered in a teetering pile. Send new contacts an e-mail saying nice to meet them, suggest a coffee to find out more about them. Ask all of them where else they network and GO FOR IT!

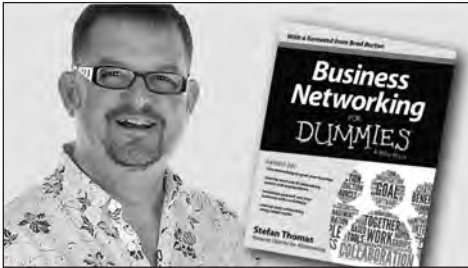
Jane Buswell



BUSINESS NETWORKING

How to start networking

Stefan Thomas, author of the best selling 'Business Networking for Dummies' explains how you can get the most out of your business networking.



What is business networking?

On your phone you have an address book. As well as your family, your friends, the local pizza delivery service (or is that just me?), you've probably got the numbers and contact details for your clients, suppliers and advisers? If you've been in business a while you may have many contacts in there. If you're just starting out there might not be quite as many. Yet.

Business networking is the simplest way of growing your personal network. Those trusted suppliers, invaluable advisers and, of course, customers and clients that will fill up your address book are out there. You just haven't met them yet.

You're already networking if you're in business by talking to other people about your business. People at the school gates, or pub, or pizza takeaway (I should get out more).

Business networking usually means events that put a number of business owners together. Often over breakfast, lunch or dinner, or sometimes over drinks or coffee. Broadly speaking, there are two types of networking events.

"Open" networking - where there is a room full of people and you mingle and chat and exchange cards.

Structured events where typically, everyone present has a chance to speak about their business briefly (for 40 seconds typically) and then 121 meetings are arranged between the attendees in the room. At both types of event there is also usually a speaker, typically picked from the members of the organisation.

Why you should consider networking

What's missing in your business right now?

- Clients?
- Prospects?
- Suppliers?
- People to help you move the business forward?
- People to talk to when you're having a rubbish day (or to brag to when you're having a brilliant day)?

Business networking gives you the opportunity to meet a lot of people, and choose who you want to work with.

"QUOTE, UNQUOTE"

"Business networking is the simplest way of growing your personal network"

Business networking gives you the chance to build a virtual team around you, find prospects, clients and suppliers and take advice from people more experienced in business than you, or with experience in a different field.

Any marketing activity you undertake as a business is likely to be geared to ultimately meeting the person you have addressed the marketing to.

BUSINESS NETWORKING

Business networking is a short cut to getting in front of people quickly, and in a friendly and neutral environment.

Where to look for events

The sponsors of this article, 4Networking, have a free iPhone and Android app which will find 4Networking events near you literally at the click of a button. Just search "4Networking Meeting Finder" on either the iTunes App Store or the Google Play Store, download it and away you go.

Alternatively visit their website 4Networking.biz and their "Book a Meeting" page allows you to search for groups near you or based on the date the group runs on. 4Networking run over 5,000 breakfast, lunch and evening meetings a year. If there isn't a group near you currently, call 4Networking HQ on 0845 123 4444 and ask for details of starting a group yourself - it's a terrific way of building your profile and network locally.

You can also contact your local Chamber of Commerce to see if they run any networking events locally, or simply ask your contacts which groups they attend.

And if all of the above fails - try Googling "business networking" plus the name of your town.

Before the event

Any networking event will provide you with opportunities to grow your business, so it is VERY worthwhile being prepared in advance. Here are some top tips to ensure you make the most of the event.

- **Business cards** - I know we live in the 21st century and we all keep all of our contact details in our phones BUT business people still expect other business people to have business cards. At some networking events the formal passing of business cards is part of the event itself. Get some printed - and pay for them. Nothing undersells your business more than "Printed for free by" on the back of your cards.

- **Your 40 second introduction** - At most business events you will have chance to introduce you and your business to the other people in the room. 4Networking events start with the "40 second round" where each attendee takes turns to introduce themselves. It is extremely worthwhile having a prepared introduction.

You would prepare any other marketing material in advance and this should be no different. The chapter of Business Networking for Dummies which deals with this subject in detail is available for free - just go to noredbraces.co.uk/free for details.

Business networking is a short cut to getting in front of people quickly, and in a friendly and neutral environment.

- **A notebook** - Or Evernote, or your preferred application for making quick notes. Whether you prefer a pencil and paper or something on your iPad or 'phone, it is extremely worthwhile having the ability to make notes. That way you can scribble down the details of any conversation, and action points, rather than rely on your memory in what might be a very busy event.

- **Check the timings and details with the organisers** - What time does the event start? Is it expected that I'm there for the whole two hours or can I drop in when I want? Is there a payment on the day? Do I need to bring cash? Are there any other specific details which you need to be aware of? You will feel a whole lot more relaxed if you know exactly what you are attending and all of the relevant details, rather than trying to find an Email you received a week ago at the same time as trying to park the car.

During the event

Once you're there - what now?

- **Stick to the format** - If the organisation specify a format then stick to it. You want to be remembered for the right reasons, and not for being the person who took 3 minutes in the 40 second round.

WHICH NETWORKING GROUP WILL SUIT YOU?



As you will quickly discover, there are all sorts of different networking groups and with dramatically different costs. The question is which type is likely to suit you best?

Strong Contact Networking Groups

This type of networking group meets on a regular basis (usually every week). You will be meeting with the same people each week and there may be visitors from time to time. Attendance and the giving and receiving of referrals are strictly monitored. Also, when you are a member of this type of networking group, there will be no one else from your profession allowed to join the group. Any and all referrals for whatever it is that you sell will be given to you. Examples of a strong contact network are 4Networking and Business Networking International (BNI). These networking groups tend to meet in the morning before the start of the business day - typically over breakfast. There is usually an annual membership fee plus smaller payment per event (including breakfast!).

Casual Contact Networking Groups

Your local chamber of commerce is a good example. These networking events are usually well attended, but there will be overlap amongst vocations. The best way to get noticed in this type of networking group is to volunteer for a leadership roll. Chambers have an annual membership fee but other groups allow you to pay as you go or are completely free except for what you eat or drink.

Community Service Organizations

Rotary Club, Lions Club, fall under this umbrella. Everyone should join something that supports their community. However, do understand that these organizations were not formed for getting more customers for your business. However, once you get people to know, like, and trust you, you very well may end up doing business with them.

Women's Networking Organizations

These organizations are unique in that they tend to be combinations of two or more of the other kinds of groups.

Cocktail Mixer Business Networking Events

These are probably the most prevalent among all networking groups. They are typically held in bars and restaurants, and are usually very well attended. One thing to be careful about is not to drink too much, and be advised that some will drink to much. Some come looking for a date, rather than seeking business opportunities.

Professional/Trade Organisations

If you're serious about your particular profession, you should belong to a professional/trade organisation. Typically, there aren't very many sales opportunities, but there may be opportunities for joint venturing and/cross-selling.

Hopefully, this will give you a clue as to what you are letting yourself in for. The next step is to test them out for yourself. Regardless of type, most groups have open or guest events which will allow you to 'try before you buy.'

BUSINESS NETWORKING

- **Don't prejudice the people in the room**

- This is the biggest mistake I see people make in networking. The biggest referrals and the most lucrative opportunities often come from the least expected sources. Don't ever turn anyone down for a conversation or a One to One meeting if they offer. Don't ever think that anyone isn't worth talking to or that they wouldn't be interested in what you have to offer.

- **Say it like you mean it** - When you do your 40 seconds or your introduction, make sure you sound enthusiastic about what you do. Nobody expects you to be a perfect presenter - but you can be nervous and still passionate. Have your 40 seconds written down if you need to. You want other people to be interested in you, that interest needs to come from you first.

- **Two ears, one mouth** - Remember that age old piece of advice? You have two ears and one mouth, use them in that proportion. Whenever you are in conversation with people, don't be tempted to simply broadcast about what you do. Far better to find out about them and their business first. If you listen to what they say, you might even find out that they urgently need a service like yours!

- **Make notes** - Write down anything you need to remember. If you have offered to follow up with someone, make a note so you don't forget, particularly if you go straight into another conversation.

- **SMILE** - This one should be at the top. Nobody wants to talk to someone who looks as though their pet goldfish has just died. Remember to look as though you're enjoying being there and enjoying the conversations you're having. Who knows, you may be enjoying it, you've just forgotten to tell your face.

After the event

So much of the good work that is done in networking meetings goes to waste because people forget to follow up in between. You may be the very best at what you do.

You may offer the best value. You may be the only person who does what you do. But I don't need your service when I meet you. There are SO many ways to keep in touch, and most business owners don't bother. Be the one who stands out by following up and keeping in touch.

Nobody expects you to be a perfect presenter - but you can be nervous and still passionate.

- If you have had 1-2-1 meetings with people, at the very least fire them off an Email referencing the conversation and promising to keep in touch.
- If you have specifically offered to follow up with them, make a note to do so and then do it. Don't break the first ever promise you make to them.
- DO NOT try to sell to them on your first follow up. Everyone else will. You will stand out particularly if your early contact is personal.
- Find them on LinkedIn, Google+, Facebook or Twitter and connect. That way you're getting onto their turf and connecting on their terms.
- Maintain a CRM (Contact Relationship Management) system that suits you and reminds you to keep in touch with your network.
- PICK UP THE PHONE - despite the huge impact that social media has made, it is still ok to pick up the 'phone. In fact so many people hide behind Emails that actually talking to people will help you stand out.
- Look out for opportunities for the people that you meet. The greatest networkers, the people who win the most business through networking, are the ones who give out the most.

Everybody will welcome your call if you're the person who gives them referrals, and, when you need something in return your network will happily return the favour.

11

Websites & SEO

With more and more trade being conducted online, having a well-designed, effective website has become an essential requirement for all businesses. As with conventional design and print, it is not as simple as creating some pages on cheap software at home, uploading them to the Internet and hope that the world will come knocking on your door.

INTERESTING WEB STATS

It is incredible to think that the internet did not even exist until the 1980's. Now look at it!

English engineer and computer scientist Sir Tim Berners-Lee, wrote a proposal in March 1989 for what would eventually become the World Wide Web. It went live on 6th August 1991 but there was no fanfare in the global press. In fact, most people around the world didn't even know what the Internet was.

According to official estimates, there are now over 1 billion websites but, on average, most of us only ever visit less than 100 of them per month.



Sir Tim Berners-Lee

Here are some more facts that I hope you will find useful and convince you that your business should be part of this online revolution.

- **Users** - Apparently 2.4 billion people world-wide use the Internet at least once a week.
- **Connections** - Over 8 billion smartphones, tablets, desktops, servers, wireless routers and hotspots, car GPS units, wristwatches, refrigerators and even soda pop machines are connected to the Internet. This number is expected to grow to 15 billion gadgets by 2015, and to 40 billion gadgets by 2020
- **Business** - Google's ad revenue is now larger than the whole of the US print industry and Amazon's annual income is larger than half of the world's GDP (gross domestic product).
- **Names** - Over 100,000 new .com names are registered every day. Check to see if your preferred 'URL' is available - if so, grab it quick!
- **Horsepower** - With an estimated 8.7 billion electronic devices connected to the Internet, 50 million brake horsepower worth of electrical power is required to keep the Internet running in its current state.
- **Surf the web** - The term "surfing" the Internet was first used in 1992 by a New York librarian Jean Armour Polly, aka "Net Mom."
- **Video** - Every 60 seconds, 72 hours of YouTube video is uploaded. Most of the videos are about things that no one is interested in but a growing number are being provided by businesses who recognise the increasing marketing power of the video.
- **Twitter** - The first tweet was sent on March 21, 2006 by Jack Dorsey. There are now over 300 million active users on Twitter and of 7 million of them follow Richard Branson. That is impressive until you realise that Harry Styles of One Direction has four times as many!
- **Browsers** - The first popular web browser was called Mosaic and was released in 1993. It only lasted four years but many of its features, such as the URL bar and back/forward/reload buttons can still be found on most modern browsers like Explorer, Chrome and Safari.
- **Strange but true** - When Montenegro became independent from Yugoslavia, its country code top level domain went from .yu to .me!
- **Beware!** - More than 30,000 sites are hacked every day - make sure yours doesn't become one of them.
- **Bootcamp** - China has internment camps for people addicted to the Internet where they are given a digital detox.
- **Dating** - Online match-making is big business! According to Reuters and PC World, the industry generates over \$1 billion each year!
- **Communication** - Over 200 million e-mails are sent every minute but how much of it is spam?

WEBSITES & SEO

Why your business needs to be on the Internet.

Mark Richard explains what having a good website can do for you.



What can a GOOD website do for you?

So you've started a business — and whether it's small or large, you need to consider investing in your own website. The Internet is one of the quickest methods of communication — and if you're not using it, how will you compete with those that are?

More and more people want to research businesses and products on-line and then buy in the traditional, offline way. If you're serious about promoting your business, then a good website is your virtual shop window, enticing potential customers, instilling confidence in you and the goods and services you offer. So if you cut corners and don't have a website, you could be doing your business more harm than good!

Your website may be as simple as letting people know your phone number and opening hours - a digital business card or as complex as a fully automated booking system or a searchable database of your products.

Open 24 hours

Your website is open for business 24 hours. Let your website work for you, giving your customers what they want when they want it. It's busy increasing brand awareness and increasing sales while you sleep! If you're not online, you can bet your competition is. If you don't have a website, or your customers find your website difficult to use, they won't hesitate to click on to your competitor's site!

WEBSITES & SEO

Cost effective advertising

A lineage advert in the local paper can cost upwards of £30 per week — imagine how much a colour advert with text and images would cost! And it would only run for a day or a week at the most. Your website is an online advertisement, it's permanent but can be updated regularly, and can be much more cost-effective if used properly.

Fast, easy, cheap communication

Why print & post out brochures when your customers can download them? You can offer instant information and faster communication via your website and email - much cheaper and faster than fax or post.

A good website allows you to provide better customer service and value-added extras that put you above your competitors. You can offer articles, information, forums, newsletters - all of these things add to your customers' perceived value of your products or services and build better relationships.

It also gives you the chance to advertise your business, promote your services, attract new customers and relay information — why would you want to limit your potential?

Why use a professional web designer?

Like doing your own plumbing, it is more cost-effective to employ a professional so you can concentrate on what you do best — running your business!

Your website should be clean, tidy and modern; it should portray a professional image and market your business well. It needs to meet accessibility guidelines whilst giving your customers a pleasant experience, encouraging feedback, increasing sales and increasing brand awareness.

QUOTE, UNQUOTE"

"If your business is not on the Internet, then your business will be out of business" Bill Gates

Where to start?

- Q. What do you really need on your site?
- Q. What should you ask a web agency?
- Q. Which agency should you work with?
- Q. How do you spot the hidden costs?
- Q. Are you comparing like with like?

These are just some of the questions that armed with the right answers will allow you to see through the many offerings available, avoid the pit falls and confidently take your company online.

What do you really need?

A website should be useful and add value to your business, give the right impression and make potential customers want to contact you. The content should always be current and as your business grows your website grows with it.

You need your site to be easily found by potential customers, simple to use and navigate and clear in content and contact information.

If you're serious about making the right impression employ the professionals. Self-made sites won't fill your customers with confidence about your approach to business.

For business you need a robust, secure and professional site. Creating a detailed brief which lists your preferences and objectives will help at this stage.

The right domain name

If your exact business name has already been taken select something close and memorable. Avoid using dots and dashes in the name as these are easily forgotten. Ideally you should use the .co.uk or .com for business in the UK.

Business hosting

Your site needs to be available 24/7; if a potential customer visits your site and it is not available it is unlikely they will return. Hosting can now be found at very low prices but consider if it really is a saving? Ask where your site will be hosted, if data is backed up and how the security and upkeep of your server is managed.

WEBSITES & SEO

Email

Once you have your company domain you can also set up your email. Again take note from the hosting section and pay for right support and security levels suitable for business.

Design

There is a strategy behind all good web design, usability studies have clearly shown that using the right navigation, images and copy will retain your audience for longer so therefore more likely to purchase or contact you.

Your home page should allow your customers to instantly recognise your company, use your company branding i.e. logo and colours to form a template and style.

What do you really need on the site?

The more functionality you have the higher the cost. Start with the basics and add the rest later. If you get the site built right the first time you should easily add functions as you grow.

Content

All web content should be written with both your audience and the search engines in mind. Your audience should always be priority, capture them with statements that are quick and easy to read. Use of images should be limited so as not to clutter the page and increase the time your page takes to appear.

Prioritise your content

Your homepage should have your phone number clearly shown, the services you offer and links to the other pages you would most like your audience to view. Your most lucrative offers should be the first to be seen! Professional copy can make a real difference and assist your position in search results.

Support for the future

How often will you need to change the content of your site? How important is your site to your business? Getting the right support and hosting are the ongoing costs you need to understand at the start.

E-COMMERCE

Before starting an ecommerce business you have to be honest with yourself about how much you understand online business and the nature of ecommerce itself.

Ecommerce is extremely involved, both from a technical standpoint with regard to the website platform, but also from a marketing standpoint as well. In this regard it is not very different from a bricks and mortar business with regard to the investment of both time and energy.

On the other hand there are some obvious advantages, like not being limited to a local marketplace. Ecommerce is more dependent on marketing than a traditional business, and your success will definitely be proportionate to your online traffic. You will need to learn about inbound marketing techniques, search engine optimization and email marketing to have a real chance of success. It is not as simple as setting up an online store and waiting for customers to pour in.

Key questions that need to be asked are: What are you going to sell? Who is going to buy? How will they know that you and your products exist? Which E-Commerce platform are you going to use? What is the most suitable payment gateway? How are you going to ship your products to the customer?

Shopify has many articles about selling products online. From learning 'how to sell online' to 'advanced tips and tricks,' they cover everything you need to know to run a successful online business. See: <http://www.shopify.co.uk>



10 WAYS TO BOOST YOUR WEBSITE PERFORMANCE



A common problem for many website owners is that it doesn't deliver the response they hoped for, or their website visitors are not staying on the site or not finding their website at all.

1. Can your visitors find what they're looking for?

Is the navigation on your website clear and consistent? Is it the same on every page? It is essential your visitors can get around your website quickly and easily, or else you will find they won't hang around for long.

- Consistent navigation menus, including a link to the home page on every page.
- Navigation must be properly labelled —buttons and text links must describe the destination page.
- Place a link to a site-map on every page — if visitors get lost, they can use the site-map to navigate (also helps search engines index the site).
- Make sure all pages are accessible to visitors in a couple of clicks.

2. Design — keep it simple.

Is your website full of flashy graphics, garish colours and annoying pop-ups? Think about it — will it give a good visitor experience when they have to wait 5 minutes for your website to load, or can't find what they want for the endlessly distracting animated graphics? The following design rules work well:

- Neutral colours — pale backgrounds, dark fonts.
- Consistent fonts, font sizes and colours.
- HTML text as opposed to text in graphics.
- Quick to load images with small file sizes

3. Layout - make it easy to scan.

Long pages of information can be difficult to digest. Use short paragraphs, bullet points, highlight important information and keep the content to the point.

4. Copy - what's in it for me?

What your visitors want to know is 'what's in it for me' — tell them the great benefits of your services, why they should buy from you. Give your visitors a clear call to action, e.g 'contact us today for a free report...' etc.

5. About us / contact us pages

Make sure your website include pages about the company and how to contact the company. Not just a form or email address, but names, telephone numbers and postal addresses. This will reassure visitors that there is someone there, and they can contact you.

6. Trust — make your visitors want to buy from you.

Gaining your visitors trust is a great way of getting new business. Money back guarantees, returns policy, easy to contact, secure site? Make sure all of this is included on your own website.

7. Testimonials / case studies

Testimonials from happy customers prove your offering is sound and your business is viable. But never ever make up false testimonials. Dot them around your site and on appropriate product/services page.

8. Optimise your website

Once you're happy with the design and content of your website, then you need to optimise the pages for the search engines. Check which key phrases visitors will use to find your website, and ensure you insert the appropriate key phrases into your page copy.

9. Are you social?

Do you use the social networks and have accounts with sites such as Twitter, LinkedIn & Facebook? Make sure you add links to the different networks.

10. Keep it fresh and keep in touch.

It's essential you update your website regularly. There's nothing more off putting than seeing out of date information on a website. The more proactive you are with your site, the more you will impress visitors to your site and keep the search engines happy too.

Forty First Marketing

WEBSITES & SEO

Content management system

If you have content that will change often, have the site built with a content management system. This will allow you to easily update your content without ongoing charges. Using technology can really help your business develop, look for the agency that is interested in your business and who will make suggestions to you... rather than just provide a website and rely on annual hosting to make their money.

Beware of cyber crime

Cyber crime includes anything that is done maliciously with the intent to steal information from other internet users. They can be categorized into three main types of activity: hardware and software attacks, financial crimes, and abuse. Viruses are the main source for the software and hardware attacks. These viruses are mostly preventable to the extent of how much protection a network user is willing to invest in. Make sure that your designer bears this in mind from the outset.

How do you know if it's working?

Review monthly statistics showing detailed information ranging from how many people visited your site, the most popular pages to the best referrals. Prioritise content based on the most popular pages and see which promotion increased visitors so you can repeat the best and review the rest.

Use it!

Don't have your website as an extra that nobody mentions. Use it on everything that a potential customer might see, be it on your letterhead, order form, business card or local advert. Make sure you check emails that come from your website; a response the same working day is expected.

Do I need to spend money on a site?

Especially if a friend or relative offers to help. Can they really design a site that will put you above your competitors? Will they be around to support the site if errors appear? It can seem like a saving but it could have serious consequences to your business.

How do I select a designer?

Contact several that you think present themselves well online and arrange to meet at least two face to face. Discuss what you are looking to achieve and ask what ideas they suggest - do they just design websites or will they help you develop and build your business online? Ask the agency what their experience is - if they are self taught and focused on the technical side of development they may not develop a site to the requirements of your audience. Ask if you can talk to previous customers, view their websites and read testimonials.

Costs and comparing quotes

As with anything in life you get what you pay for! Think long term, it is no good getting a cheap start up site that can't be developed. Template sites can be less expensive but also inflexible and leave you tied to one company as often updates are via a central CMS. Bespoke sites can cost a little more (not always) but are easy to develop and can be hosted anywhere. Ask for a breakdown of all quotes so you can really compare like for like. Break a quote down to the following areas - design and development, copy, images, CMS, hosting, email, SEO, statistics and ongoing support.

Conclusion

You need a website and in most cases, you will be best advised to engage a professional designer to create this for you.

SEO

Search Engine Optimisation will prepare the meta-tags placed in the code of your site pages to help the search engines collect search results. SEO work along with keywords in your content and linking between other websites will all contribute to improving your positioning on the search results pages. (See full article on next page.)

"QUOTE, UNQUOTE"

"The Internet is becoming the town square for the global village of tomorrow" Bill Gates

WEBSITES & SEO

Search Engine Optimisation

Creating a beautiful site is only the beginning - you now need to make sure that it can be found by anyone looking for what you offer.



I am sorry to have to break some bad news to you. Creating a site that you are pleased with and getting it online is only the first part of the job! By going live it has joined over one billion others in fighting for the search engines' attention and at this point it is highly unlikely to get many visitors or feature very highly on any search listings.

All is not lost though - there are things that can be done to improve this situation but you do need to know what they are.

How a search engine works

Although there are still lots of different search engines trawling the web, the three big players that you really have to consider are Google, Bing and Yahoo. Even then, Google are by far the most dominant player with over 60% of the market. Bing have about 20% and Yahoo 12%, which means all of the others account for only 8% between them. For the object of this exercise, we will focus on Google but they all are broadly the same.

The one thing that they have in common is that their main aim (apart from making money) is to match a search phrase with the most suitable pages on the web in seconds.

To achieve this they send automatic robots called 'crawlers' or 'spiders' out to explore the Internet and to build an 'index' of the sites that they find.

When you perform a search, Google then scours their enormous database to allow them to present a list of the most relevant sites and lists them in order of popularity. Here lies your challenge - how do you get them to see yours as one of the most **relevant** and **popular**?

Algorithms

In days gone by, a match was made using nothing more than 'key' words. If you searched for 'Aardvarks in Aylesbury', the site that used those words the most was considered to be the most relevant. This made it possible to stuff your pages with chosen words and fool Google into sending you traffic. As you can imagine (and may well have experienced in the past), this resulted in completely irrelevant topics, often with unrelated products to sell appearing at the top of the search results.

Not only was this irritating for the user, it meant that Google was not working as effectively as it should. They are constantly evolving and there are now hundreds of different ranking factors that make up the algorithm (automated calculation) to determine which results to show.

SEO ranking factors

Moz.com (an incredibly useful site if you want to learn more about his subject) asked 150 SEO 'experts' to rate the most important ranking factors. They scored each item out of a possible maximum of 10 to create a list of the biggest influencers. Their answers are and an explanation of each factor can be found at: www.syob.net/start-business/effective-seo/846 but here is a quick summary

WEBSITES & SEO

1. Domain level link features

This covers the links that point to your site overall. Even though Google has changed the way that they view inbound links and it is much harder to manipulate this factor, it is still very important.

2. Page level link features

Similar to no.1 but this refers to single pages rather than the site as a whole. Your site may contain a page about a specific topic which attracts lots of influential links in its own right.

3. Page level keyword & content based features

This is all about the make-up of the pages themselves. What is the main subject? Do the words used give Google enough clues to identify that it is a useful article/page?

4. Page level keyword-agnostic features

This includes all the other aspects of the page which have nothing to do with the main focus itself or the keywords used. The content should be the right length, easy to read, unique, and fast loading.

5. Engagement and traffic/query data

"Are people sticking around and interacting with my site?"

6. Domain level brand metrics

This relates to what you are doing to influence how people react to your brand.

7. Domain level keyword usage

Correct usage of the right words can help Google identify the subject of the page.

8. Domain level keyword-agnostic features

Make sure that your site is designed for mobile as well as desktop usage, no pages return errors or load slowly, your domain name is not too long, and that it uses an appropriate TLD (top level domain - .co.uk, .com, .net or .org are likely to be best).

9. Page level social metrics

Is your site mentioned on the social networks? Do people recommend your site or articles to friends or acquaintances via Facebook, Twitter etc.

I hope this helps!

HOW DO YOU DO IT?

People often ask how we have managed to get our site to the top (or near the top) of the search listings for so many key phrases.

My slightly flippant reply is usually something along the lines of "I bought a copy of a book by David Viney called 'How to get to the top on Google'".

You may find it hard to believe but, in part, it was as simple as that. The book itself is still available and full of great content, much of which is as relevant today as it was when I first read it several years ago.

Google have been constantly changing their algorithms and it has become harder and harder to manipulate their results if your aim is to try and raise the profile of a poor or irrelevant site. The flip side of this is that if you are offering a genuine service online which will satisfy your visitors needs, you should be able to feel confident that your efforts will not be trampled upon by unscrupulous and manipulative competitors for that top slot.

The top listings that appear for almost all searches are paid adverts as this is how Google make their money. Thereafter, it is up to you to show Google that your site should rank highly in what are known as the 'organic' (not paid for) listings.

My hope is that this chapter will give you a better idea of what you will have to do to achieve this but you could also do far worse than invest a few quid in David Viney's book if you want to learn more.



GLOSSARY OF WEB TERMS



So you don't get lost in geek-speak, here is the plain English for many of the key terms that you will hear.

Anti-Virus program - A computer program made to discover and destroy all types of computer viruses.

Bandwidth - A measure for the speed (amount of data) you can send through an internet connection. The more bandwidth, the faster the connection.

Computer virus - A program that can harm a computer by displaying messages, deleting files, or even destroying the operating system.

CMS - Content management system — allows you to update your website content using a non-technical online interface.

Cookie - Information from a web server, stored on your computer by your web browser. The purpose of a cookie is to provide information about your visit to the website for use by the server during a later visit.

Domain — the name used to identify your website i.e. greenwoodsolutions.co.uk

E-mail address - The address used for sending e-mails to a person or an organisation. Typical format is username@hostname.

Firewall - Software that acts as a security filter that can restrict types of network communication. Most often used between an individual computer and the Internet.

Hits - The number of times a web object (page or picture) has been viewed or downloaded.

Home page - The top-level (main) page of a web site. The default page displayed when you visit a website.

Hosting - Space on a server where your website resides.

HTML (Hypertext Markup Language) HTML is the language of the web. HTML is used to define the content, layout and the formatting of the web document.

SEO/Search Engine Optimisation — setting your code to work with the search engine spiders.

URL — universal resource locator, the correct term for the full address of your website (www.)

Web browser - A software program used to display web pages.

Kindly supplied by Susie Greenwood

WEBSITES & SEO

Paying for online advertising

Choosing the most effective digital strategy to reach your audience.

By Mark Tillison.



AdWords, SEO, Facebook, Twitter, Pinterest, YouTube - All familiar names but should you PAY to advertise your business there?

Maybe, maybe not.

Before you start spending time and money on marketing activities, there are two critical steps you should understand.

Who is your "Joe"?

Define the audience you're trying to reach. This can not be "anyone", though it might feel like that. The exercise of profiling your ideal customer and naming that profile is the context in which you'll make every marketing decision, spend every marketing penny and write every ad, blog post and product or service description - knowing that you're talking to "Joe" is much easier than trying to talk to "anyone".

What motivates Joe, what does Joe care about and what makes Joe need your business and when?

Why should Joe buy your product or service - what creates the demand?

Why should Joe buy from you?

This is a good foundation for profiling your ideal customer and the channels you might choose to reach them.

Which digital marketing platforms work?

Before choosing Facebook and Google AdWords or Twitter over Search Engine Optimisation (SEO), it is critical to understand how, fundamentally, the platforms fit into the digital marketing funnel and what outcomes you can expect from each.

There are, broadly speaking, three stages of the digital marketing funnel; Brand Equity, Search and Conversion.

Brand equity

The Brand Equity stage is about creating awareness, interest and desire for your business, product or service.

Search marketing

The Search Stage is about attracting traffic to your website when users are searching for a solution to a problem they have, pain they need to resolve or a desire or demand they're seeking to fulfil. Typically, Searchers are in a "buying mood". They know what they want and they're ready and willing to spend money on it. Therefore, arguably the most effective form of digital marketing, traffic from Search Engines typically produces a higher "conversion rate" than brand traffic from Social Media platforms.

Converting more visitors in to sales

We reach the final and arguably the most critical part of the digital marketing funnel; conversion rates.

WEBSITES & SEO

In digital marketing, we use the term “conversion” to describe the desired outcome from a website visit. For some campaigns, that might simply be the number of minutes a user spend on their site, for others it might be a more specific outcome such as a contact form completed or a phone call (a lead) or for eCommerce stores, the simplest of all - a sale.

The Conversion Rate is the most important metric which also determines the Cost per Conversion and therefore the ROI - the metric business owners should be most concerned with.

The most effective channels and platforms for your business

Paid Search campaigns using Google AdWords or Bing Ads are the fastest way to get relevant, high-intent traffic to your website to test how well your website converts that traffic in your leads and sales.

If you have the budget for it, paid search campaigns are recommended as a starting point, proving that a longer term investment in SEO will produce leads or sales, not just traffic.

Which platform(s) you choose will depend on your target audience.

Google AdWords - your audience will see your text and banner ads alongside content on news sites, forums, blogs and games sites.

Facebook ads - is more likely to be suited to businesses marketing to consumers rather than businesses. Users will see your promoted posts in their newsfeed and ads alongside the newsfeed when using desktop devices.

Twitter ads - are suitable for B2B and B2C marketing, with users seeing your promoted Tweets or promoted Account in their newsfeed.

Instagram - great for B2C marketing, especially for visual brands with stunning photography to show off.

LinkedIn ads - offer unique targeting criteria for B2B marketing which you won't find on other platforms. Users see your promoted posts in the newsfeed and ads alongside content on the desktop LinkedIn site.

Pinterest - is great for B2C marketing, particularly for visual businesses. Users will see Promoted Pins in the news feed and in search results.

YouTube - is owned by Google and can be used to market to a B2C or a B2B audience.

Take care to choose a CMS platform and hosting that is fast, particularly for mobile devices is “responsive”. A responsive design simply means that the website scales to the screen of whichever device a user is using to access your site - get this wrong and you'll miss a huge number of conversions from mobile devices and risk damaging your brand in the process.

At all stages, data is your best friend. Measure at every point and make sure your results are improving, whether that's audience reach, response, engagement, traffic, time spent on your website, conversion rate and cost per conversion.

All ad platforms have their own analytics and measurement criteria. You should also add Google Analytics to your website and learn how to understand how you can get more of them to reach your goal - more leads and sales!

Finally, never stop testing. To stay ahead of your competitors in an increasingly competitive online marketplace, testing new ad copy, new landing pages and new keywords is essential.

Mark Tillison

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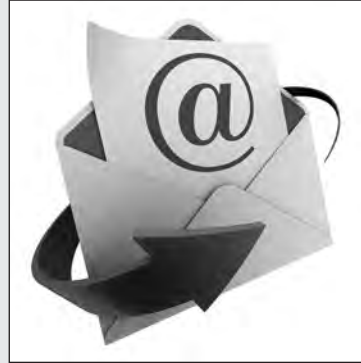
Online Marketing & Social Media

Apparently there are more than 4.5 BILLION pages indexed on the internet so how on earth will anyone find yours? Having spent time and money to ensure that you have a web presence, it is worth giving some thought to raising its online profile.

E-MAIL MARKETING TIPS

As a start-up business, you'll be fully aware just how difficult it can be to get the sales process started. Being able to embrace and rely on additional digital marketing techniques - such as SEO, social media, and affordable 'Pay Per Click' - is essential. One marketing channel that often gets overlooked, however, is one of the most obvious: email marketing.

Email marketing enables you to reach out to an existing customer base and generate a lasting relationship that helps upsell products and services, as well as promote engagement and interaction. There is even scope to invest in B2B mailing lists from reputable sources such as Experian UK and Thomson Local in order to promote your business. Of course, the most successful email marketing involves direct engagement with your target audience. That's why we're pleased to provide a few top tips on email marketing to help you generate the mailing lists and interactions you need:



1. Make things simple - Think about how many mailing lists you have subscribed to over the years. Whenever you've made a purchase online, or requested information, you've undoubtedly been entered into a relationship that continues long after this initial interaction. Special offers, limited deals, targeted newsletters... these are all the result of signing up to a mailing list. Ensure you make it simple for users to do the same with your business. From clear sign-up boxes on your website to instructions on printed marketing material, use every opportunity available to ensure you capture the email details of your audience.

2. Add value - Going back to your own email subscription experience, how often have you unsubscribed due to being bombarded with emails or having irrelevant information sent to your inbox? Relationships are key to any business, so being able to add value to a customer's life is key. Avoid sending too many emails - you don't want to end up being classed as spam - and ensure you take the time to consider the message you're sending and the goals you have. Adding value to the customer experience will provide your business with a successful strategy going forward, and will help cement a customer base that values you.

3. Test and refine - You may well have heard talk of A/B split testing in relation to email marketing. This simply means sending emails to your customers that feature subtle differences you can track. Say, for example, email A leads with a large image and a clear 'Click now' message, and email B opens with an introductory paragraph followed by a 'Click now' message. Through split testing, you can determine which was more effective for your campaign, and thereby tailor future email campaigns accordingly. Testing and refinement are fundamental to your marketing success, so ensure that each campaign is afforded a level of analysis.

4. Personalise - One timeless rule in advertising and marketing is being able to personalise the message being sent. Establishing a relationship with the customer is essential and, thanks to effective sign up forms, you should be able to capture important details like names, ages, gender, etc. Personalise your emails accordingly and you'll see the level of interactions increase. After all, an email identifying you with the opening, "Hi Chris" in contrast to "Hi customer" is far more engaging.

5. Spend time on crafting your message - Time is precious when it comes to marketing, but affording the correct amount of time to each task is of the utmost importance. When it comes to email marketing, no element is more important than the subject line. Spend time trying to craft a message that connects on a level that tempts people to open, and avoid using such phrases such that will trigger spam filters - FREE, Amazing, Info you requested, Alert, etc. - as your emails will be red-flagged and ineffective. If you're unsure exactly how to write quality subject lines, work with professional copywriters and marketers to hone your message.

These are just a few simple tips for refining your email marketing offering. At Whitefish Marketing, we can offer full advice on how to achieve an effective campaign. Simply contact us today and we'll provide you with all you need to know about driving greater success to your start-up business.

Chris Surridge

ONLINE MARKETING

Let the world know!

Although relatively new in business terms, online marketing and social media are extremely powerful tools if you want to access millions of potential customers.



Did You Know...

Google now processes over 40,000 search queries every second on average, which translates to over 3.5 billion searches per day and 1.2 trillion searches per year worldwide.

That's a huge potential market for your products & services that can't be ignored.

What is online marketing & why do it?

Online marketing is the marketing of products & services on the Internet. It covers many different activities, which include search engine optimisation (SEO), pay per click advertising (or 'sponsored links' such as Google Adwords), email marketing, blogging & social media.

Online marketing ensures your website is found in online searches, across a wide variety of search media and it increases the traffic to your website. However, one of the most important things about online marketing is that it generates pre-qualified traffic.

People have already made the decision to search for your products or services before they arrive at your website, since they are already actively searching on keywords relating to your products and services.

A highly visible website will enhance your company image online and raise the profile of your organisation, and last but not least, all of your online marketing activities will generate leads, enquiries and sales.

Here is an overview of the major online marketing activities that you can consider.

Search engine optimisation (SEO)

SEO can improve the chances of your website being found in an online search on sites such as Google & Bing, for keywords relevant to the products and services that you sell. It's a long term strategy for your website, ensuring your web pages are 'optimised' for success in the search engines. The optimisation process looks at several factors which include keyword research, the design & structure of a website, internal & external links and meta tags. It takes time for a website to rank in the search engines and search engines are now very fussy about giving sites high rankings unless they deserve it! Gaining high rankings is not easy and search is becoming more and more competitive.

Pay per click advertising (PPC)

PPC is a great way to kick start your online marketing activities, particularly if you want quick results from the search engines and can't wait the months it can take to gain high rankings. Businesses pay for text ads to appear alongside search results on sites such as Google and every time someone clicks on one of them, a fee is paid. How much you pay depends on how competitive the keywords are that you sponsor.

ONLINE MARKETING

Email marketing

Email is a great way of keeping in touch with your customers and prospects, and much, much cheaper than sending out printed newsletters. Emails can be used in all sorts of ways — to give tips and useful information, special offers & promotions and to keep your customers loyal to you. Make sure you build your list in-house rather than buy in lists as most people view emails they haven't subscribed to as spam. A well-crafted email, sent on a regular basis ensures your prospects don't forget about you and makes it easier to cross sell and up sell products & services.

Blogs

A blog (or web log) is a website or a page on your site that is updated regularly with news and articles, a bit like an online diary but much more than that. Blogs are a very popular way for businesses and organisations to add regular content to their website and also interact with visitors to their website as people can actually comment on the blog posts'. Comments can be moderated so you don't have to worry about unsuitable comments being put up.

There are plenty of reasons to start a blog:

- Search engine friendly — posts can be indexed and be found in searches quickly (a few days)
- Allow organisations to interact with their audience
- A very easy way of keeping a website up to date — posts can be put up quickly and easily without needing any technical expertise
- Visitors can subscribe to blog posts by email or by a 'feed'
- Responsibility of the blog can be split between a few members of staff, so one person doesn't have the worry of keeping it up to date themselves.
- Gives you the opportunity to put your view on something, particularly if your organization is in the news — good for PR

- Some blog platforms are free — so low cost to experiment with
- Like SEO, will raise your profile online and allows your organisation to have a 'voice'.

Common blogging platforms include Blogger.com, Wordpress & Typepad.

Social media

Social media is becoming increasingly popular and a great way for businesses to interact with their target market. As social sites have exploded in popularity, many businesses are seeing the benefits of being on them. You can gain fans, use social media for PR and find out what people really want.

The most popular social media sites are Facebook, Twitter, LinkedIn (popular with business professionals), Google+, and YouTube.

All of these sites are free and allow businesses to further raise their profile online. But beware — social networking can be addictive!

Sam McArthur



Vlogging (video blogging) has become big business. Zoella (above) reputedly earns £50,000 per month.

ONLINE MARKETING



Word of mouth now takes place online as well as in the pub or village shop.

What is social media?

“Social media is the social interaction among people in which they create, share or exchange information and ideas in virtual communities and networks.” In simple English, it is lots of different sites that allow you to spread the word online.

There are now hundreds of social media ‘channels’ and you can find a list at:

http://en.wikipedia.org/wiki/List_of_social_networking_websites

But which ones are the most important? Here are the estimated number of monthly visitors for some of the top sites:

1. Facebook - 2 billion
2. YouTube - 1.58 billion
3. Instagram - 700 million
4. Twitter - 328 million
5. LinkedIn - 106 million

What are the benefits?

- Google loves social media
- It is a free way of raising brand awareness
- You can spy on your competition!

- You can communicate with your market
- You can keep up to date with trends
- You can encourage people to visit to your website

How to get started?

The first step is to sign up to:

Facebook (<http://www.facebook.com>)

Twitter (<http://www.twitter.com>)

LinkedIn (<http://www.linkedin.com>)

Pinterest (<https://uk.pinterest.com>)

Google + (<https://plus.google.com>)

There may be other relevant sites depending upon business type and location but these are arguably the best five to focus on at the beginning.

At the very least, this will allow you to add a link from each of these back to your own site - this is a great pointer for Google!

Get connected

There are various ways of growing your network on Facebook, LinkedIn and Google + but the easiest and possibly most effective one to start with is Twitter.

ONLINE MARKETING

Twitter

Twitter is all about who you follow and who follows you. The trick is to gain as many relevant followers as you can. Like any marketing channel, you need to reach the right audience.

Step 1 - start following

It is as simple as finding the right people and then clicking the 'follow' button on their page. For example:

- Friends
- Relatives
- Existing customers
- Suppliers
- Allied trades (anyone who is likely to work with you or your customers)
- Potential customers (if you can identify type of person, their interests, trade etc.)
- Trade organisations (any relevant body plus whoever follows them)
- Competition (find a competitor's page and follow who they follow and who follows them)

- Local people (search by geography)

For the local search, sign up to www.twellow.com - this is a free location based Twitter directory.

Once you've followed 2,000 users, there are limits to the number of additional users you can follow. This number is different for each account and is based on your ratio of followers to following; this ratio is not published.

Hopefully, by the time you are following 2,000 people, you will have started to attract followers of your own. To prevent being stuck at this point, you can now start removing anyone who has not followed you back (after a reasonable period - possibly a week or 10 days).

A great FREE tool to help you with this is Managefitter www.managefitter.com

Step 2 - add content

The next step will be to start adding content (posts which on Twitter are called 'tweets') to your page because the other way to gain new followers is by providing interesting or relevant content.

GOOGLE ANALYTICS

Google Analytics is a free web analytics service offered by Google that tracks and reports website traffic. It is now the most widely used web analytics service on the Internet and can help you understand more about the performance of your website.



Analytics is a powerful application for tracking traffic patterns on your website. The fact that it's an entirely free program, and integrates with other Google programs, like AdSense and AdWords, only makes it that much more valuable. Considering most people already use at least some Google products, it makes sense to use Analytics, because it is such a powerful, yet easy-to-use, product.

Once you have signed up, you will be able to see at a glance how many visitors that your site is attracting every day, month or year. This data can then be broken down by country, the type of device being used and, possibly most importantly, where they came from. This allows you to measure how effectively your social media activities are working but also how much traffic you are receiving from the search engines.

There is a little bit of web wizardry required initially to set this up and to make sure that the data is being accessed but beyond that it is an extremely easy package to understand and to use.

Find out more at: <http://www.google.com/analytics>

ONLINE MARKETING

This works for two reasons:

1. Many potential followers search by key phrase so the more relevant key phrases/subject covered in your posts, the further your net will reach.
2. If any of your followers like what you have posted, they may tell all their followers (re-tweet)

The type of content that may be relevant could include:

- Latest offers/special deals
- Company news
- Link to interesting article/blog on your site
- Industry news
- Funny or interesting facts

If you can regularly add engaging content, you will encourage re-visits, new followers and re-tweets and a useful way of finding non-company content is to use Google Alerts. You will need to open a Google account (but there are a number of additional good reasons to do so!)

Google alerts notify you of any relevant articles that have appeared on the web and contain the keywords that you have chosen. These alerts can be as frequent/infrequent as you like. Click on the link to any item of interest and then in most cases click on the 'tweet' button. If there is no tweet button, simply copy the article's URL and create a tweet on your own Twitter page.

Adding content need not take up all your time!

The great thing about the web is that it is open 24 hours a day, 7 days a week.

Thanks to mobile technology, you can choose where and when to spend time on your social media. There are also several useful tools which will reduce the pressure on your workload.

Hootsuite (free) www.hootsuite.com

Helps you keep track and manage your many social network channels.

It can enable you to monitor what people are saying about your brand and help you respond instantly. The biggest benefits are:

- You can add a post to up to 5 social media channels at the same time
- You can schedule when the posts go live so you can add them whenever suits you.
- You can bulk upload (monthly fee)

Tweetadder (small cost) www.tweetadder.com

This handy software helps by:

- Automatically following anyone who follows you
- Triggering an automatic reply to anyone who follows you
- Helping you locate suitable people to follow by keyword or geography

Other channels

Once you are happy with Twitter you can follow a similar strategy with the other channels. They all vary slightly but the main principles remain the same. As your audience grows (Richard Branson has over 7 million followers!) so does the value of the time that you put into this. Creating a post to reach one person takes the same time as a post to to 7 million.

Social media tips

- Stick with it – this is likely to grow over time rather than be a quick win
- Little and often is better than a splurge every now and then
- Keep looking for people to follow/new followers
- Monitor your success*

* Once you have a Google account, you can link your site to Google analytics and this will show you how many visitors come directly from each social media channel

Good Luck!

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Employing Staff

Taking one or more employees is a major commitment and should be approached with caution. Whilst it is often a vital step if a business is to grow, it also brings with it financial and legal implications.

HAVE YOU CONSIDERED OUTSOURCING?



Running your own business can be exhilarating. It can allow you the freedom to work whenever and wherever you like.

However, it can also be tiring, draining and frustrating! It can often mean working longer hours than those you originally anticipated as you struggle to do everything yourself and fit everything into your working day.

But there is a solution. Outsourcing some of your workload to a Virtual Assistant (VA) can ensure you protect your working time and grow your business faster and more effectively.

The benefits of outsourcing

Your most valuable resource is your time. It doesn't matter how hard you try or how much you wish it, you will never have more than 24 hours available each day.

So stop trying to do everything yourself and work smarter. Hire a VA and you'll be able to:

- Grow your business
- Expand your team
- Get more tasks completed – especially those you're not currently able to fit into your day!

Outsourcing enables you to pass over those tasks that are more mundane and routine, enabling you to focus on what you're good at – the very thing you probably went into business to do.

Other benefits you can gain from hiring a VA

Obviously, by hiring a VA you'll immediately gain another pair of hands in your business – but there are other benefits you may not have thought about too.

A VA will potentially give you access to an additional set of skills, without the need for you to spend time training! Your business can also be perceived as more professional and larger, especially if a VA is dealing with your phone calls and emails.

What types of task can you outsource?

The obvious advantage of outsourcing to a VA is the various tasks you CAN pass over, for example:

- Business administration. PowerPoint presentations, bookkeeping tasks, mass mailing, database management and taking charge of your email.
- Social media management. Including creating a social media plan, managing your various platforms, interacting with your followers and following influential people in your niche.
- Blogging. A VA can research and plan your blog posts, source images and carry out maintenance on your WordPress site.
- Workshop and event planning. Letting your VA handle your event planning and organisation, leaving you free to create and deliver content that really wows your audiences.
- Call answering service. Giving your business a voice, even when you're out and about. A VA can field your calls, deal with queries and also qualify potential new clients.

With all of the benefits available, why not look into outsourcing? You'll gain a valuable team member and your business will blossom as a result!

Award-winning Virtual Assistant, Amanda Johnson provides remote solutions for small to medium sized businesses through her company Your Executive Secretary. Their dedicated and bespoke service offers you access to a broad range of secretarial, administrative and organisational skills, as and when you need them.

Amanda shares lots of great information to Business Owners who are looking to outsource their administration on her website www.y-e-s.co.uk or you can contact Amanda to discuss your requirements by telephoning 01202 872061.

FINDING THE RIGHT STAFF

Taking on your first employee

If you are to free yourself from having to do everything in your business, you will have to either outsource or consider taking on staff. Jim Gilhooley of Morgan Gil HR explains how to recruit the right people.

The average cost of recruiting an individual ranges from £3,000 to £8,500, not accounting for the cost of training. Hiring the wrong person can be expensive.

Some simple hiring smart steps can go a long way to ensure you avoid this and get the right people. For SMEs, getting it right is crucial.

What can you do: improving the effectiveness of recruitment?

There are four key steps:

- The key thing and first step SMEs – and some bigger companies – commonly fail to do is to identify exactly what type of person is needed for the job. This includes knowledge, skills and experience but also the personal characteristics (e.g. initiative) and motivation a recruit brings. Sounds simple, but have you ever recruited someone you wish you hadn't?

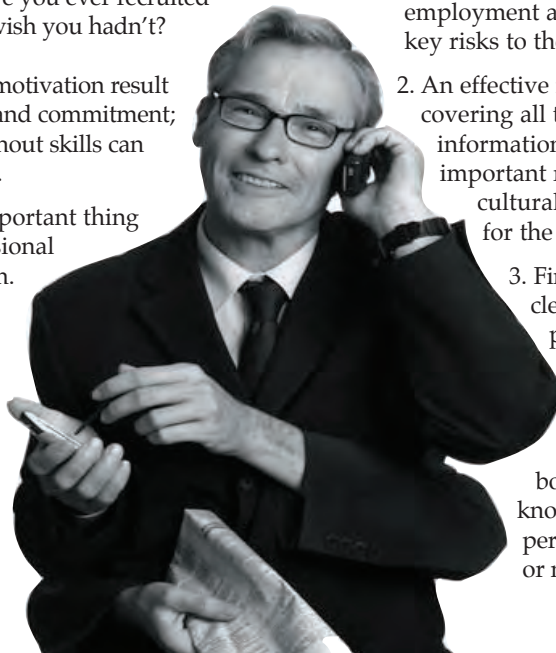
Skills without motivation result in low morale and commitment; motivation without skills can lead to disaster.

- The second important thing is to be professional in finding them. This requires going to the appropriate sources. We now live in the online recruitment world where it is easy to advertise jobs and attract applicants.

- However, there are many other sources which are as, if not more, discerning depending on what type of person is required. If agencies are used, ensure you manage them rather than being driven by them.
- The third step is interviewing effectively. Various techniques and approaches increase significantly the interviewers understanding of the candidate's personal qualities, motivation and skills and chances of successfully determining how they will perform a job.
- The fourth step is to employee them properly.

There are three parts to this:

1. A bespoke contract of employment covering the key aspects of the employment and managing the key risks to the business;
2. An effective induction process, covering all the basic factual information needed but also important relationships and cultural aspects of working for the organisation;
3. Finally, clear and clearly communicated performance goals or targets with agreed review periods during the first year so both you and they know whether they are performing as required or not.



EMPLOYING STAFF

The recruitment process

One engineering company with a 30% turnover in staffing asked me to look at their recruitment and processes to identify how to reduce this. It became apparent that they did not really follow the steps.

Their recruitment processes were revamped, including finding recruits through broader sources, raising their recruitment profile locally, training managers in skills-based interviewing, new documentation and reducing the number of people involved in the process from ten to five. Turnover fell, the cost of recruitment was halved and most importantly, the quality of recruits improved.

To summarise, with the right process, hiring smart and improving the quality of your recruits is definitely achievable.

Avoiding the pitfalls

So now you have done it! You have gone through the recruitment process and decided on the right person to join your business.

All successful and growing businesses at some point will think about employing their first member of staff.

How do you now introduce them successfully and ensure their performance meets your requirements?

There are a few essential actions.

1. Legalities and documentation

Unfortunately, many first-time employers do not do this well. The good news is that it is relatively easy to do well. Key requirements are:

- Bespoke contracts of employment, covering all mandatory legal items, but also the additional items which are necessary to protect your business from other risks. Mandatory items include type of contract, pay and benefits, location of work, etc.

Additional items can include use of internet/email/social media, when holidays can be taken, confidentiality, etc.



"Note: Please don't misconstrue my 14 previous jobs as job-hopping. I have never quit a job."

FINDING THE RIGHT STAFF

- Relevant employment policies. These do not have to be extensive, but will include Disciplinary & Grievance, Conduct, Health & Safety, Sick Absence, Equal Opportunities and others which are particularly applicable to your business e.g. Restrictive Covenants.
- Focused Job Description communicating clearly what the new employee is expected to do within the first six months, together with any specific work objectives, training plans and the support to be provided. Many of these documents can be downloaded for a small fee from www.simply-docs.co.uk for example.

2. Induction and probation

- The recruit will bring the skills, expertise and experience you require to contribute to your company. However, it may be an unfamiliar organisational environment and climate to them. It is easy for new employers to include only technical aspects of the work and basic information (where the toilets are, how the IT works, etc.) and to neglect more intangible aspects of working in a new company i.e. 'the way things are done round here'; 'key contacts', 'mistakes to avoid', etc.

New employers can then be disappointed when the new employee does not fully meet expectations, or are demotivated. With a broader induction, ranging over the first few weeks or months, negative effects can be substantially reduced.

- Probationary periods are always a good practice, mostly because they ensure the new employer formally reviews progress with a new employee, provide feedback and surface any issues. These discussions should not only take place at the end of probationary period but regularly throughout. How often will depend on the length of the probationary period.



3. Your time/their commitment

Recruiting, although time-consuming, can almost be the easy bit. Once the new recruit joins, the demands on your time will increase in the short-term as you support them getting up to speed.

It can be frustrating, particularly if they are making mistakes and adding to your workload. It is not uncommon to think that you can do things faster yourself. But patience and perseverance will pay dividends in the future as your business grows. Otherwise, why did you hire them?

4. Making a mistake

It does happen. Occasionally, we make the wrong recruitment decision. The key thing when this occurs is to deal with the situation early and effectively before it develops into a significant issue.

It is seldom an easy or stress-free decision to let an employee go early, but it may be necessary for the good of your business.

However, if you have already put in place the actions in 1-3 above, they will go a long way to implementing your decisions while protecting your business.

Jim Gilhooly

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Business Law

Complying with the law must be one of your most important considerations and you may need to consult a solicitor to ensure that any legal decisions are made with full knowledge of the laws that may affect your business. This section covers some of the most important issues and we hope that it gives you a useful overview.

DO YOU NEED A BUSINESS PRENUP?



Like entering into a marriage, every new business is hopefully an exciting prospect, entered into with a view to a fulfilling and financially rewarding future.

You may decide to go into business on your own or with a business partner. In both cases you will consider whether to incorporate as a Limited Company and how to structure your shareholding, opt for a Limited Liability Partnership, or to simply trade as a self-employed individual. You will look into business bank accounts, decide on accounting software or find an affordable accountant. You might decide you need to register with the Information Commissioner's Office if you are likely to be handling personal information about individuals.

In many cases with so much to think about when you start out, those starting up for the first time will not have a view to the mechanics of how to manage the future of the business. Such scenarios as selling the assets and goodwill of the business, illness or death or falling out with a business partner are far removed from your mind.

Many small businesses are made up of husband and wife, siblings or best friend teams who decide to split everything 50/50 which is great until it comes to a parting of the ways. Too many small businesses fail to consider getting anything in writing that will work as a legal and binding guideline for those unforeseen circumstances or divorce. The value of a properly drafted shareholder agreement or partnership agreement therefore cannot be under-estimated.

Scenarios that I have come across include: a husband and wife with no written agreement wanting to go their separate ways. The husband wanted to keep the business but she wanted her 50% out of it so he was forced to close the business as he could not sustain it without her share.

Two brothers would simply not compromise on which one would continue to run their jointly owned company. The High Court was therefore forced to wind up the business and neither brother got anything at the end of the day.

Two companies working with an oral joint venture agreement fell out when one was disappointed with the level of return on the venture in the first year. Strangely enough each party had a different recollection of the original agreement. The matter is still going through the courts.

By contrast I have worked with businesses that see the point in covering all bases in a legal shareholder or partnership agreement. This can be the result of sitting down together and making sure everyone is on the same page and that the members and business are protected going forwards.

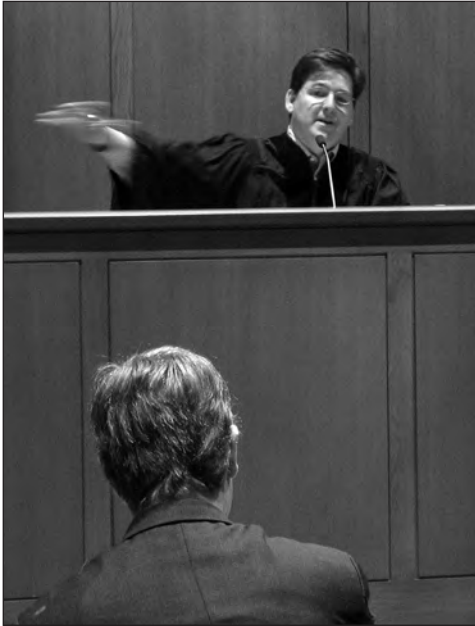
My advice is therefore to think smart and plan for the future and record any agreements in writing.

Caroline Buchan
(Barrister & Company Secretary)

BUSINESS LAW

How to comply with the law

Commercial law can be complex and we would strongly advise you to contact a local lawyer before committing yourself to any legally binding contracts.



UK laws

You should be aware of the laws that relate to your sector and to running a business generally. The over-riding rule is that prevention is better than cure - make sure that you do not break the law by finding out what you need to know BEFORE you start to trade.

Setting up a business is an exciting time but without the right legal advice it can also be a legal minefield. Prevention is better than cure. A specialised business solicitor can help you identify future legal problems and advise you on what steps to take to prevent problems before they happen, which will protect your business from risk and save you money.

To find your nearest business law expert, visit 'find a solicitor' at www.lawsociety.org/find-a-solicitor

Working from home

Check with your local authority to make sure that you do not need planning permission. Also it is advisable to check your tenancy agreement or the deeds of your home to rule out the possibility that here maybe exclusion clauses that prohibit you running a business from the property. Other considerations may be business rates and Capital Gains Tax if any part of the home is exclusively used for business.

Commercial property

Commercial property law is extremely complex and should not be tackled alone. Leases and agreements generally have long term implications and heavy financial penalties. It is a specialised area of law so look for someone with relevant experience.

Franchises

Taking on a franchise will definitely involve signing a legally binding agreement. A solicitor will be able to guide you through the process and make sure that you are not committing to something which you might later regret.

Contract law

Contracts occur in every business. It might be as simple as the agreement with the milkman to deliver the milk and your obligation to pay for it, or it might be an order you made with a major supplier. While it is good practice for all business contracts to be in writing it is not essential. The contract may be formed orally, by parties agreeing the terms on the telephone but bear in mind that this could be open to differences in understanding of what has been agreed. Always read the 'small print' and take appropriate legal advice before entering into any contractual agreement that could end up with a dispute.

BUSINESS LAW

Licenses

Some types of businesses do need to obtain special licenses before they open for business. The .gov website contains a useful 'license finder' tool: <https://www.gov.uk/licence-finder>.

The Citizens Advice site has a description of the the most commonly required licenses (by trade): <https://www.citizensadvice.org.uk/law-and-courts/legal-system/licences-and-other-types-of-official-permission/>

Health and safety

Health and safety laws apply to all businesses. As an employer, or a self-employed person, you are responsible for health and safety in your business. Laws are there to protect you, your employees and the public from workplace dangers. The HSE (Health & Safety Executive) site is for employers and those who want some basic information on what they must do to make sure their businesses comply with health and safety law. See: <http://www.hse.gov.uk/simple-health-safety/index.htm>

Trading Regulations

Your local authority will be able to advise you on local trading regulations such as opening hours.

Employment

If you employ people you have certain duties such as the provision of a contract of employment, fair disciplinary procedures and Employer's Liability Insurance.

Insurance

The next chapter covers this in more depth but you must consider any action or event which involves your business which could result in it being sued. This could involve Professional Indemnity and public Liability.

Data protection

The Data Protection Act 1998 (DPA) is an Act of Parliament which defines UK law on the processing of data on identifiable living people. It is the main piece of legislation that governs the protection of personal data in the UK.

Intellectual property

Some common types of intellectual property rights (IPR) are trademarks, copyright, patents, industrial design rights, and in some jurisdictions trade secrets: all these cover music, literature, and other artistic works; discoveries and inventions; and words, phrases, symbols, and designs.

Terms & conditions

Terms and conditions are used for legal purposes by websites and internet service providers that store a user's personal data, such as e-commerce and social networking services. A legitimate terms-of-service agreement is legally binding and may be subject to change. (See *opposite page*)

Legal structure

The various options are covered in the chapter 5 entitled 'Business Set Up'. If you need to form a limited company or are creating a partnership, you may well advised to take legal advice to ensure that this is done correctly. Going into business with others, even if they are friends, is notoriously unpredictable. Someone who behaves perfectly rationally normally sometimes can be entirely different when it money and stress become involved. Make sure that you have a written agreement which covers all eventualities.

Legal advice

Taking professional legal advice is not cheap but is essential for many of the subject mentioned here. The true cost of not seeking help may only materialise in years to come but could prove to be considerably more expensive in the long run. Many solicitors offer a free introductory session so, at very least, prepare a summary of your possible legal needs and obtain a quote for any assistance that may be required.

"QUOTE, UNQUOTE"

"Ignorance of the law excuses no man from practising it"

TERMS & CONDITIONS



It really is good practice to have in place a set of Terms and Conditions which you provide to your customer explaining the terms which apply when they purchase goods or services from you.

This is particularly true online. Your website should always specify your Terms & Conditions. Templates can be copied and pasted from other sites but may not offer the protection you need in law.

In the absence of published terms then the law will imply terms to the contract which may or may not work in your favour. If you expect to be paid within a certain period you need to set this out in your Ts & Cs otherwise the law will imply when payment will be made which may not fit with your cashflow! Set out below are the essential points which you should cover in your terms:

1. Who is the contract between? If you are providing goods or services yourself to the customer then the terms should state that the contract is between your business and the customer. The name and address of your business along with the legal status (e.g. sole trader, partnership) should be specified. The customer should also be identified as far as possible by referring, for example, to the customer as the person who has ordered the goods or services. If you are acting as an agent, a booking agent as an example, the contract will be between the entity you are acting as agent for, such as the event organiser, and the customer. If this is the case then it needs to be stated clearly.

2. Ordering & Delivery – the process for ordering the goods or services and the delivery arrangements should all be set out clearly. If you have a particular process which you want your customers to follow then this should be explained.

3. Price & Payment – the terms should either specify the price or refer to a quotation or price list. Set out when you want to be paid and the payment method. Phrases like “we would prefer payment to be made before we deliver your goods” should be avoided. Be clear when you want to be paid!

4. Late payment charges – it is a good idea to protect your business and incentivise your customers to pay on time. This can either be a flat fee for each day the payment is overdue or calculated as interest on the amount due from the due date until you receive payment.

Remember though that the late payment fee needs to be a reasonable assessment of your loss (not a profit opportunity!) otherwise it could be unenforceable.

5. Cancellations & Returns – state your cancellation policy and how returns work. If you are selling over the internet you will have to be mindful of the regulations that apply to distance selling.

Other regulations may also apply to your business.

A good source for information on this subject can be found at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284446/oft979.pdf.

6. Ownership – if you are selling goods it is always advisable to state that the goods will continue to be owned by you until you have received payment in full. This gives you the right to re-possess the goods in a worst case scenario where the customer cannot or will not pay.

7. Limit your liability – it is possible to limit your liability to the customer to the cost of the goods or services provided should anything go wrong.

Liability cannot be excluded or limited where you have caused death or personal injury to someone.

8. Complaints – details of how the customer can contact you in the event of a complaint should be set out.

9. Which law applies? – It is particularly important to state which law applies when you are dealing either over the Internet or outside of England.

If you want English law to apply and the courts in England to decide a dispute then you need to say this.

© Mairéad McKenna

Mairéad McKenna has more than 20 years' experience as a lawyer representing both large and small businesses.

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Insurance

It is important when you're starting your own business to think of the risks that your business faces. You include this as a vital part of your risk management strategy. The outcome of this thinking will go some way to helping you decide upon the types of insurance you need, and also at what level the insurance cover should take effect.

PUBLIC LIABILITY INSURANCE



Public liability insurance is possibly the most commonly required insurance cover for new businesses as it covers the cost of claims made by members of the public for incidents that occur in connection with your business activities.

This is the explanation provided by the ABI (Association of British Insurers).

Public liability insurance covers the cost of compensation for:

- personal injuries
- loss of or damage to property
- death

Policies vary from insurer to insurer, but most public liability policies cover you for:

- incidents that occur on your business premises
- incidents that take place off-site, at events or activities organised by your company

Do I need it?

You should consider public liability insurance if:

- you own business premises that members of the public, customers or clients visit

- your business organises off-site events or activities that are attended by members of the public
- for more information see the ABI's guide to planning an event
- you run a business from your home and people visit your home for professional purposes

Public liability insurance covers anyone, apart from employees, with whom you interact as part of your business operations such as:

- people visiting your business
- customers
- clients
- people taking part in events or activities you have organised
- people watching events or activities you have organised

Public liability insurance does not cover employees, temporary staff, students or people on work placements – for this you need employers' liability insurance.

Buying public liability insurance

You can buy public liability insurance directly from an insurer or from a specialist broker through the British Insurance Brokers' Association (BIBA).

The cost of your premium is usually based on:

- the nature of your business
- the number of people you employ
- your insurance claims history

For more information on business insurance see the ABI guide to insurance for small businesses (pdf) on the ABI website: www.abi.org.uk

About the ABI

The ABI does not sell insurance. They speak on behalf UK insurers. They provide consumers with general information on insurance and savings products and services. They promote best practice, transparency and high standards within the industry. As a forward-thinking organisation, they work with government, regulators and policymakers – both in the UK and internationally – to ensure the insurance industry meets the highest standards.

INSURANCE

Are you adequately covered?

Darren Beckinsale of Business Insurance Service outlines the key considerations for start-ups and of the types of insurance you should consider.



Risk management

Before we deal with the different types of insurance, let me first say a few words about risk management. All UK public companies are required in their Annual Report to detail their assessment of the key risks facing their business. Additionally, they are then required to detail the steps that have been taken to mitigate these risks. The regulator, the Financial Conduct Authority (FCA) oversees this process.

While it is not an accounting requirement for small businesses or firms in start-up to undertake this process, it is very much best practice to do so. In any case, if you employ more than five people, you are required to record your risk assessment findings for health and safety and fire procedures. Rather than seeing the risk gathering process as a burden, it should inform your business and, as you will see, it will have positive implications with regard to insurance.

When undertaking a risk management exercise, you should first identify all the material risks that your business faces. For every type of risk identified, you should draw up an action plan to minimize the damage that such a risk event would cause.

Insurance overview

For a small business, insurance can at first, appear daunting. With some thought however, it needn't be. This guide is aimed at helping you negotiate the various types of insurance that are available. Some types of insurance you will find are non-negotiable, others you will need to assess on their own merits.

The insurance industry exists to help you manage your risks and in the event of a loss, pay claims against those losses which otherwise could be catastrophic for a fledgling business. Most non-life insurers will be able to assist you in insuring your business.

INSURANCE

If your business is more complicated in nature you can also employ a broker who will act as a middle man between your business and the insurer. It can be worth shopping around for cover as the insurance industry is a competitive place. Be sure though, to talk to the insurer about all the risks you wish to insure as more competitive rates can be achieved by combining the insurance with one insurer.

Let us now turn our attention to the types of insurance that you should consider.

The non-negotiable

For businesses of certain types, some insurance is required by law.

Employers' liability insurance

It is the law in the UK that if you employ staff you must have minimum employers' liability cover of £5m.

Only in the event that: i) your employees are members of your family or ii) they work abroad are there exceptions.

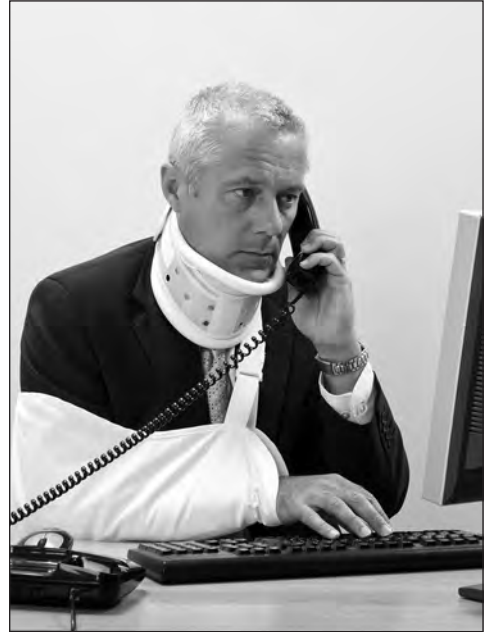
If you require cover but do not obtain it, you are liable to be fined up to £2,500 per day.

Note that you must also display your certificate or at least have it available for inspection. Failure to do so can also be punishable with a fine of £1,000.

Employers' liability cover (EL) covers you in the event that your employees become ill or die as a result of working at your premises. Being sued for compensation can be expensive not only in terms of any payout but also as a result of legal expenses.

Some things to bear in mind:

- Check that your policy covers temporary labour or holiday workers if this applies to you.
- Note that employees injured while driving for the company are often not covered by EL insurance and further cover is required for this.



- Former employers can bring legal actions against a company even after they leave its employment. It is important to keep your old certificates.

Unlike other types of insurance, an insurer cannot refuse to pay out on an EL contract even in extreme circumstances such as you being negligent or have provided inaccurate information. Their only sanction will be to refuse you further cover.

Commercial motor insurance

If you use motor vehicles for your business, you are legally obliged to have motor insurance cover. It is your responsibility as the owner of the business to ensure that you have adequate insurance to cover all company vehicles.

If your employees are using their own vehicles on company business you are not obliged to pay for their motor insurance cover. However, you are required to ensure that they have the minimum cover required by law. It is worth asking to ensure that your employees have disclosed the fact that they are using their personal vehicles for work purposes to their motor insurance provider.

INSURANCE

Commercial motor insurance is much the same as private motor insurance. There are the usual three main types of cover:

Third Party Cover - This is the minimum cover required by law. It covers you against costs that arise as a result of injuries to other people and damage to their vehicle.

Third Party Fire and Theft - This type of policy covers everything that basic third party policies cover with the added protection against your vehicle being stolen or destroyed in a fire.

Comprehensive Cover - As the name suggests, is the most comprehensive cover available and in addition to third party fire and theft, also covers:

- injuries to other people and damage to their vehicle
- medical expenses and accidental damage
- the cost of replacing your vehicle's contents

Note that if you run a business which, by its nature, involves use of vehicles, for example a fleet of couriers or a taxi business, specialist motor policies are available and you should talk to the provider about the specifics of your business.

Other types of insurance

Commercial property insurance

Commercial property insurance covers the cost of repairing or rebuilding your business premises. Additionally it covers losses to your fixtures, fittings or stock in the event of a risk loss such as:

- Water damage
- Wind damage
- Fire
- Flood
- Subsidence

As with your normal home insurance, cover is broken down into building and contents cover

FREE INSURANCE QUOTE

At the Business Insurance Service we understand that having the right insurance is vital, and we make it our business to ensure that your business has the cover it needs.

As a one-stop commercial insurance broker and risk management solution provider, we will work with you to understand your business's key risk areas, and provide expert advice on the insurance solutions that are right for you - whether that's getting the best price for an off-the-shelf policy, or arranging a tailored business insurance package that includes specialist cover.

We will compare policies from across the UK commercial insurance market and provide you with tailored recommendations based on your key risk areas. We will advise you on package business insurance that will cover core business risks and liabilities, as well as policy extensions and optional extras matched to your business.

We can help save you money and time, and deliver a unique insurance and risk management solution that will minimise your exposure and add value to your business. Call us today on 01273 789 979, or visit our website for a free, no-obligation quote: www.businessinsuranceservice.co.uk.



INSURANCE

Buildings insurance

Buildings insurance covers the cost of repairing or rebuilding your business premises if damaged or destroyed. Though buildings insurance is not required by law, it is strongly suggested that you take out cover. Even if you own your building outright, you will still require cover in the event that you need to repair or re-build your premises. If you rent your premises, it is the duty of your landlord to ensure that buildings cover is provided.

Remember that the important value to insure when looking at your building is the cost to rebuild, not its current market value.

Unless you have specifically requested it, and therefore paid an additional premium, most commercial building insurance will not cover you for:

- **General wear and tear** – everyday things that happen to your property over time such as carpets or wall coverings discolouring.
- **Acts of war or terrorism** – buildings insurance policies usually exclude damage caused by terrorism, but specialist insurers can provide cover for

commercial properties for an additional premium. See later in this guidance for more detail.

Contents insurance

Your commercial contents insurance covers you for the cost of replacing lost, damaged or stolen items within your premises. Importantly for some businesses, this includes items of material or finished goods held in stock. It is important to discuss the valuation of your stock and equipment with the insurer or broker when arranging cover. If your business has any cyclical variations, be sure that these peak periods are covered.

Business interruption

In the event of a significant loss event hitting your business, for example a large fire, the loss of your buildings or stock may actually be of secondary importance in a financial context. Your inability to trade will hit profits for some time after the event and there may also be additional costs to cover in terms of third party fees and business continuity plans. You can insure against these losses by taking out business interruption cover. This type of policy will cover you for the loss of sales and profits during the period that you are unable to operate.

THE TRUE COST OF FRAUD



Researchers at the University of Portsmouth studied more than 40,000 insurance claims to get a better picture of the average fraudster.

They concluded that most fraudulent claims were made by 'first-timers' typically aged 31-50 and for less than £500.

The report cites a number of transparently fraudulent claims including a tall tale about a seagull making off with an expensive watch, and another about a smashed TV covering the floor in glass, despite the fact the flat-screen in question didn't contain any glass.

The Association of British Insurers has calculated that fraudulent claims add an extra £50 to insurance bills.

INSURANCE

Professional indemnity insurance

If your business provides other businesses or individuals with professional advice, you should almost certainly consider professional indemnity insurance (PI). This type of cover protects you in the event that your advice turns out to be incorrect and further, it results in financial loss for your clients. Banks, insurers themselves, law firms, accountancy professionals, technology professionals, management consultants and architects are just some examples of businesses that require PI cover.

Product liability insurance

If your business designs, manufactures or sells physical products rather than professional services, product liability insurance maybe something for you to consider. Your business may be held legally responsible for any injuries to people or damage to property caused by a faulty product. It is important to note that you could be held liable for faulty products even if you did not manufacture them.

'Key-man' insurance

No, this is not concerned with losing your keys, but it is a potentially important consideration for a small or fledgling new business. If your business relies upon a single or a few important people you should consider cover. For example, what would happen to your business without you as the owner, or perhaps a lead salesman? 'Key-man' insurance can provide protection in the event that this individual is unable to be productive for your business for whatever reason.

Credit risk insurance

Credit risk insurance is worth considering if you have any doubts over your ability to turn debtors into cash. This can be important if you have a high concentration of sales with a small number of customers or if you have a general worry over creditworthiness (although obviously you should be considering this before offering credit terms!)

Terrorism / kidnap insurance

As mentioned, most building insurance policies specifically exclude terrorism from the situations they cover. Many insurers now offer specific policies that cover businesses that operate in dangerous or sensitive areas of the world, kidnap and ransom insurance is available from specialist insurers in the event of such an unfortunate situation. Whilst unlikely for the vast majority of small businesses, the potential for coverage exists.

Conclusion

In general, if the risk exists, the chances are there will be an insurer who can cover it. That is why it is worth spending the time to properly evaluate the risks that your individual business faces.

No two businesses are the same and therefore no two sets of cover are identical. With such a myriad of different types of insurance it is understandable that you may feel slightly over-awed or perhaps even fearful of the potential costs of insurance. Don't be.

Talk your insurer or broker through your risks and also ask them about "bundling" your cover. In this scenario, rather than individually pricing certain types of cover, your insurer will look at your business in the round and price for you on the entire basket of coverage you require.

For the owner of a small business, it is not really a case of can you afford insurance, but rather a case of can you afford not to be insured.

Quote, unquote

"In modern business it is not the crook who is to be feared most, it is the honest man who doesn't know what he is doing." William Wordsworth

16

Common Mistakes

Whether you are planning to turn your hobby into a business or you have global aspirations, many of the pitfalls in the early stages are very similar. Not only that, they have been faced by hundreds of thousands of start ups that have gone before you. We have collated some of the most common traps, to help you avoid having to experience them first hand.

CAUTIONARY TALES



There are lessons to be learned from those who have already tried and not succeeded, and some have failed in a spectacular way. These examples are primarily included for entertainment and interest but do serve as a reminder that, in business, things do not always go to plan.

Commodore Computers – The Commodore C64 was the ‘must-have’ machine for 1980’s nerds until they introduced its ‘new improved’ replacement. Unfortunately, it was not compatible with its mighty predecessor and therefore alienated their previously loyal following. Despite limping along for a few more years, the company folded in 1994.

Swissair - Swissair used to be the national airline of Switzerland and had been operated profitably since 1931. However, a massive expansion plan in the 1990’s resulted in the company carrying borrowings which could not be supported after the decline in air traffic following the 9/11 terrorist attacks in 2001. Closed its doors the following year.

Woolworths - Affectionately known as ‘Woolies’, Woolworths had been successfully supplying UK shoppers for 100 years before its demise in 2008. 30,000 jobs were lost together with one of the most familiar high street names.

Enron - At one time, Enron was valued at \$90 billion and one of the largest companies in the United States. When it went bankrupt in 2001, closer examination concluded that their massive turnover disguised systematic fraud and insider trading.

Polaroid - A classic example of not keeping up with your market. Polaroid were undoubtedly leaders in the world of photography and processing in the 1980’s but they failed to embrace the opportunities presented by new digital technology. Polaroid went bankrupt in 2005.

Pets.com - US pet owners all knew the name thanks to massive marketing spending but nobody brought any products from them. An extremely quick rise and then spectacular fall in 2001.

White Star Lines - Massively successful shipping company until the Titanic hit an iceberg. The rest is history!

DeLorean - Immortalised in the “Back to the Future” films, the DeLorean gull-winged DMC-12 sports car was destined to be the future of luxury motoring in the 1980’s. Flamboyant company owner John DeLorean had managed to persuade investors, which included Hollywood celebrities to part with \$175million to turn his dream into reality. This was quickly followed by a further \$100million from the Irish Government who wanted to see the car built in their country. This was in spite of a report which showed that the project stood less than a one in ten chance of success. The DeLorean Motor Company went bankrupt in late 1982 following John DeLorean’s arrest in October of that year on drug trafficking charges. He was later found not guilty, but it was too late for the DMC-12 to remain in production.

COMMON MISTAKES

Don't get caught!

Business owners face challenges every day. Here is a quick checklist of the some of the most common traps that you need to avoid.

Inadequate market research

Possibly the most common error and the easiest one to make. Confidence and positive thinking are admirable traits until they prevent you from taking the time to identify if there really is strong enough demand for your business.

Failing to plan effectively

Even the most successful businesses experience seasonal variations and/or peaks and troughs. Make sure that you allow for this in your plan.

Not enough capital

Assessing small business start up costs is tricky. Most business owners project

operating costs to the point of break-even. (The break-even point is when income from the business equals the expenses to stay in business.) Start up costs should include all the costs required to open for business, and all the operating costs to the point of profitability. This means that the 'break-even point,' should be when the owner estimates he or she will be able to get paid the minimum salary required. Estimating start up costs should include the following:

- **Start up purchase costs:** Equipment, furniture, insurance, business licenses, etc.
- **Re-occurring costs:** Utilities, telephones, out-sourcing, insurance, business licenses, etc.
- **Advertising/marketing costs:** Here are some of the biggest pitfalls for small business owners. Even big businesses often have no idea how much they will need to spend to bring in enough business. Most can only estimate this.
- **Product or inventory costs:** The purchase and/or financing costs of inventory.
- **Holding costs (of products or inventory):** If inventory is required, housing, insuring, and handling inventory can become expensive.

Spending too much

While this seems to be easy to avoid, this is one of the most common start up mistakes. One distinct advantage of the home-based business is low overhead, but many of these business owners buy services they don't really need, or max out their credit cards on equipment, computers, mobile phones, PDAs, copiers, printers, and other gadgets. **Don't buy anything unless you know you need it.**



COMMON MISTAKES

Lack of knowledge

Most people do not lack the knowledge about the industry they start a business in, but about business in general. Just because you know your stuff at your job, does not necessarily mean you could succeed on your own. Leaving a job to start a business even in the same industry means:

- **You wear all the hats** – While in your job you might be responsible for purchasing, in your business you'll also have to fill all the other roles such as customer service, human resources, management, custodian, delegator, administrator, filing clerk, office manager, payroll administrator, consultant, and CEO.
- **The buck stops with you** – This one is huge. So many people get overwhelmed in their own business because they did not account for the seemingly boundless obligations.
- **Sticking to the Law** – You need to know what laws your business is subject to. This includes licensing and permits, employees, insurance requirements, tariffs, taxes, payroll withholdings, record keeping, and more.

There is an enormous amount of expertise required to operate a business.

- Administrative Techniques
- Advertising – types, effectiveness, costs, creation, monitoring
- Bookkeeping – record keeping
- Financial management and forecasting, profit and loss
- Law
- Marketing
- Personnel management
- Networking
- The product or service itself

When in a pressure situation, many owners take shortcuts, make poor decisions, and choose sub-par services.

Inaccurately defining the market

A small business can easily exhaust all capital in advertising. Whether it's traditional print ads or pay per click, if the target market is not reached, the mistake could be realized too late.

Mismanagement

New small business owners often start without a plan or fail to follow their plan. Learning to prioritise, organise, and improvise can be new to people who have not worked in management positions.

Lack of contacts and services

There is nothing worse than needing a contact for a business transaction, and losing the deal before you can find the help. Having no or poor subcontract services can leave you scrambling to find help.

Ineffective marketing

This mistake can include inefficient marketing, poor content, ill timed advertising, wrong target market, and overspending, and many more. Learning your market and how to get business could be the most important aspect. Having more than enough business can compensate for mistakes or shortcomings in other areas.

Failing to rectify mistakes

Sometimes business owners fail to recognise mistakes, but even worse, when they do spot them, they do nothing. This happens for several reasons. If the business owner has come from an employment, many times he or she does not fully grasp that the buck now stops with them. These owners often become immobilized in the face of a blunder, and do nothing. This is where a business mentor can be a lifesaver. Every new business owner should have a seasoned mentor to turn to in turbulent times.

“QUOTE, UNQUOTE”

““I have not failed. I have just found 10,000 ways that won't work.” – Thomas Edison

COMMON MISTAKES



Refusing to delegate

Small business owners are usually 'take charge' people. They know their businesses better than anyone else and can do every job. These owners often retain duties and responsibilities far beneath their capabilities and not in the best health of the business. Like the Captain of a ship refusing to give up swabbing the deck because he felt no one could swab a deck like him, these owners hold on to tasks. Many a business ship has run aground with clean decks.

As a small business owner, you must decide which jobs would be better off delegated or out-sourced. Do not hang on to any duty, which would be better delegated. Some people might do the job differently than you, but effectively reach the same results.

Time management

Time is money. There are so many distractions in today's world of business. Few people manage their time effectively. Phones, email, the Internet, online meetings and software updates, can consume your time if not used wisely. Home-based business can even face additional interruptions from family and chores.

You have to be self-motivating

When you're an employee, you have a job description and someone is usually telling you what to do. You will be in charge of your own actions as a small business owner. You can't just wait for business to happen. Becoming self-motivated with the kind of discipline needed can be a tough

adjustment for people coming from long-term employment.

Starting a business takes energy

You can't afford to just coast along, go through the motions, or get burnt out. If you feel like quitting, you cannot just give two weeks notice and leave, without losing your investment and future income. Many new small business owners cannot even afford holidays for several years.

You have to be aware

Again, the employee might not be trained to look for new opportunities. As a business owner, this is imperative. The chance to get new customers, move into a new market, offer a new product or service, could be missed if you're not aware.

You need to adjust to uncertainty

As an employee you are pretty much guaranteed a regular pay-check. As an entrepreneur, there's no guarantee. You will deal with the uncertainty of the fluctuations of the economy. However, you can learn or acquire the skills and traits needed to start and run your own business. You will not have a boss; you will be calling the shots. The successes of your business will belong to you.

Conclusion

There are plenty of potential pitfalls waiting for the new business owner - the trick is to learn from those who have already been caught and make sure that you find ways of avoiding the same fate.

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Start-Up Directory

There are plenty of resources that can help you on your way. This directory lists some of the publications, websites and contacts which have proved to be the most useful.

START UP-DIRECTORY



Advice & Support

Business support helpline (run by HM Government)

<https://www.gov.uk/business-support-helpline>
Tel: 0300 456 3565/0191 581 0052.

E-mail: enquiries@businesssupporthelpline.org
Get business support and advice on the phone or online. Help with starting and running a business.

Open: Monday to Friday, 9am to 6pm

National Enterprise Network

<http://www.nationalenterprisenetwork.org>
National Enterprise Network is a unique membership body representing the enterprise support sector across England. This site contains a search facility to enable you to find local advice.

Now Let's Get Started

<http://nowletsgetstarted.co.uk>
Small business start-up specialist: info, tips and guidance for new, aspiring and growing businesses.

National Enterprise Standards

<http://ioee.uk/national-enterprise-standards>
The National Occupational Standards for Enterprise are intended as an overview of the competencies required to fulfil the tasks required when thinking about, starting, running or growing your own business or supporting these aims. The NOS are not designed to describe specific roles; role definitions are normally based on a number of the functions, as defined within a functional map, and therefore a number of the standards. There is no expectation, therefore, that a job role would encompass all the performance requirements across every standard, rather that specific jobs utilise appropriate standards.

Shell LiveWIRE

<http://www.shell-livewire.org>

Established in 1982, the Shell LiveWIRE programme offers free online business advice and funding to young entrepreneurs in the UK (England, Scotland, Wales and Northern Ireland).

Start Up

<http://www.startupnow.org.uk>

We provide support for women who have been in prison, have come into contact with the criminal justice system which has had an impact on their chances of employment, as well as young women who are 'at risk' of offending.

The Prince's Trust

<https://www.princes-trust.org.uk/help-for-young-people/support-starting-business>

If you're aged 18-30, living in the UK, and unemployed or working fewer than 16 hours a week and have a business idea or some ideas to explore, then we can help with the rest.

Young Enterprise

<http://www.young-enterprise.org.uk>

The UK's leading charity that empowers young people to harness their personal and business.

Banks

Bank of Scotland

<http://www.bankofscotlandbusiness.co.uk/starting-a-business/>

For new businesses with a turnover up to £1 million, our Business Current Account includes 18 months' free day-to-day business banking*.

Barclays

<http://www.barclays.co.uk>

HSBC

<http://www.business.hsbc.uk/en-gb/everyday-banking/business-accounts/start-up-business-bank-account>

Free banking for 18 months when you start your business with HSBC. Free Banking means that we won't charge an account maintenance fee or for payments into your account covered by our standard account charges

START-UP DIRECTORY

Lloyds Bank

<http://www.lloydsbank.com/business/home.asp>

Whether you're just starting out or more established, we have a range of products and services to put you in control of your business banking. With our range of useful tools and guides we can help you grow your business.

NatWest

<http://www.business.natwest.com/business/start-ups.html>

Entrepreneurial Spark supports entrepreneurs, providing a range of free services including office space, IT, specialised mentors and networking opportunities.

Santander

<http://www.santander.co.uk/uk/business/current-accounts/start-up-business-current-account>

If your small to medium sized business is in its first year of trading, has two directors, owners (shareholders) or partners and this is its first Business

Current Account with us, you could be eligible for either 12 or 18 months free business banking.

Business Information

Businessballs

<http://www.businessballs.com>

Free career help, business training, organizational development - inspirational, innovative ideas, materials, exercises, tools, templates - free and fun.

CBI

<http://news.cbi.org.uk>

The CBI is the UK's premier business lobbying organisation, providing a voice for employers at a national and international level.

Citizens Advice

<https://www.citizensadvice.org.uk>

We provide free, independent, confidential and impartial advice to everyone on their rights and responsibilities. We value diversity, promote equality and challenge discrimination.



Citizens Advice - run by volunteers and offer impartial advice

START UP-DIRECTORY

Cobweb

<http://www.cobwebinfo.com>

Cobweb is a leading publisher of guides, factsheets and reports covering the facts, risks, opportunities and practical trading issues faced by business start ups and business owners in over 600 small business trades, professions and sectors. Our services are mainly accessed via subscription by business advisers, information professionals, enterprise support agencies, banks and business funders.

Companies House

<https://www.gov.uk/government/organisations/companies-house>

Find company information. File your annual return and accounts. Change your company details. Starting a company. Running a company. Closing a company

is4profit

<http://is4profit.com>

is4profit is an independent, information resource offering business advice for the UK's micro, small and medium-sized enterprises.

National Business Register

<http://www.start.biz>

Free information on setting up a business. A fully working website included in registration. Data of every UK company, business, domain and trade mark. Complete business start up.

Real Business

<http://realbusiness.co.uk>

As the champion of UK enterprise for more than 17 years, we are now the most-read SME website dedicated to high-growth businesses and entrepreneurs.

This Is Money

<http://www.thisismoney.co.uk>

Thinking about starting up a business? Top tips to make it a success

UK Business Forums

<http://www.ukbusinessforums.co.uk>

A collection of business related forums including a 'Startup Clinic'.

Clubs & Associations

Enterprise Nation

<https://www.enterprisenation.com/>

Building a nation of entrepreneurs . Since launching in 2005, Enterprise Nation has helped thousands of people start and grow their own successful business. We are the UK's most active small business community and offer a voice to government for members too.

Enterprise Rockers

<http://www.enterpriserockers.co.uk>

Enterprise Rockers is a 'network of networks' – we are a free to join in band of people who get together through online and offline networking, linking those that engage with us to existing organisations that can help them if necessary.



Enterprise Rockers - driven by a passion for micro business

START-UP DIRECTORY



In the UK, FSB stands for Federation of Small Businesses.
In Russia, it is the government's anti-terrorist squad!

Federation of Small Businesses

<http://www.fsb.org.uk/default.aspx>

The Federation of Small Businesses is the UK's largest campaigning pressure group promoting and protecting the interests of the self-employed and owners of small firms. It has around 200,000 members across 33 regions and 188 branches.

Forum of Private Business

<https://www.fpb.org/>

FPB offers tailored legal cover, and helps you to stay up to date with ever-changing regulations, make essential savings and give you a voice where it counts.

Institute of Enterprise and Entrepreneurs

<https://ioee.uk>

The Institute of Enterprise and Entrepreneurs is for anyone who is thinking about starting or already running their own business, those who support them and those employed in innovative and entrepreneurial businesses.

Education

Learndirect

<http://www.learndirect.com/business/products-and-services/our-enterprise-innovation-and-development/>

Tailored courses to improve your business.

School for Startups

<http://www.schoolforstartups.co.uk>

Driving to help aspiring and new entrepreneurs kick-start businesses via tailored training programmes

Exhibitions

Business StartUp

<http://www.bstartup.com>

Business Startup is a free exhibition for anyone thinking about starting a business or expanding a business.

Funding

Start Up Loans

<https://www.startuploans.co.uk>

A government funded scheme to provide advice, loans and mentoring to start-up businesses.

Government Sites

Health and Safety Executive

<http://www.hse.gov.uk>

Is the body responsible for the regulation and enforcement of workplace health, safety and welfare.

Intellectual Property Office

<https://www.gov.uk/government/organisations/intellectual-property-office>

Intellectual property: an overview. Trade marks. Patents. Copyright. Designs. Law and practice.

Law

The Law Society

<http://www.lawsociety.org.uk>

The Law Society exists to support, promote and represent all solicitors so they can help their clients. The site contains a useful search facility.

Marketing

Journolink

<https://journolink.com>

JournoLink is an interactive platform enabling you to manage your own PR and send out your business stories to journalists, broadcasters and bloggers.

START UP-DIRECTORY

Marketest

<http://www.marketest.co.uk>

Online market research. Marketest is an online quantitative Market Research company dedicated to pre-startups, startups, new businesses and/or new products/services.

Small Business Trends

<http://smallbiztrends.com>

Small Business Trends is an award-winning online publication for small business owners, entrepreneurs and the people who interact with them.

Mentoring

Association of Business Mentors

<http://www.associationofbusinessmentors.org>

The Association of Business Mentors (ABM) is the independent, not-for-profit professional body for Enterprise and Business Mentors. Their purpose is to inspire and champion excellence in Business Mentoring, to advance awareness and standards in the business mentoring profession, and to make a sustainable difference to mentors, the organisations and people that they help.

Horsemouth

<http://www.horsemouth.co.uk>

The social network for informal mentoring, where everyone can give and gain. You can search for a mentor, be a mentor, or simply browse the profiles and stories on the site.

IBD

<http://ibd-uk.com>

With over 200 plus Business Advisers & Mentors available nationally, ibd work with Business Organisations from UK central government to local authorities and regional organisations. ibd advisers know how to run a business.

Mentorsme

<http://www.mentorsme.co.uk>

The free site offers businesses access to a list of quality-assured business mentoring organisations across Britain. An easy-to-use search engine allows businesses to refine their searches according to the life stage of their business and their location in Britain.

Rockstar

<http://rockstargroup.co.uk>

The Rockstar Mentoring Group is for entrepreneurs looking to grow or raise finance. Their mission is to achieve measurable goals for businesses at the SME level, Established and Start Up level. They provide experienced and successful mentors on a one to one, face to face basis.

Networking

4Networking

<https://www.4networking.biz>

Relaxed, fun and friendly business networking. Three 10-min business appointments at EVERY meeting. Network locally, regionally and even nationally. 50,000+ members online. 5000+ unstuffy business networking events each year.

BNI

<http://www.bni.co.uk>

BNI have over 13,000 members in the UK and Ireland alone, passing nearly 680,000 referrals worth over £409 million every year! It is quite literally the best way to build a better business.

British Chambers of Commerce

<http://www.britishchambers.org.uk>

The British Chambers of Commerce (BCC) is a dynamic and independent business network with Accredited Chambers in every nation and region of the UK, and in key markets around the world.

Business Biscotti

<http://www.businessbiscotti.co.uk>

Business Biscotti is a dynamic interconnected business community made up of local groups and online networking.

Enterprising Women

<http://www.enterprising-women.org>

Enterprising Women's goal is to help women achieve the success they want, by empowering, connecting, training, inspiring, campaigning, promoting, celebrating and supporting them in whatever way we can. We warmly welcome all female business owners, new and well-established, from any sector, background and from all parts of the UK.

START UP-DIRECTORY

Find Networking Events

<http://www.findnetworkingevents.com>

The UK's number one resource for information on Business Networking Events, Workshops, Seminars and Business Shows.

First Friday Network

<https://www.firstfriday-network.co.uk>

The First Friday Network is a monthly free business networking event held on various Fridays with meetings across the country, including East Sussex, West Sussex, Surrey, Kent and Hampshire.

The Athena Network

<http://theathenanetwork.co.uk>

UK's Leading Business Community for Female Executives and Entrepreneurs. Focusing exclusively on female executives and entrepreneurs.

The Business Network

<http://www.business-network.co.uk>

There is a very good reason why The Business Network is still so popular over 21 years on from its launch in the UK - it works! Attracting senior decision-makers to the monthly, lunchtime events, the unique, professional and business focused format offers an effective environment for building close working links and establishing a 'support network' of business contacts.

WIBN

<http://wibn.co.uk>

WIBN – The Women in Business Network is a membership organisation for women who wish to gain new business opportunities through word of mouth. Whether employed or a business owner the network has a huge diversity of businesses involved. Our members support and encourage each other through collaboration and the sharing of business contacts and opportunities.

Publications

Independent

<http://www.independent.co.uk/arts-entertainment/books/features/the-10-best-business-start-up-books-7637448.html>

The 10 Best business start-up books



Start Your Business Magazine

<http://www.startyourbusinessmag.com>

Start Your Business was established over a decade ago and remains one of the UK's most successful small business magazines.

The Guardian

<http://www.theguardian.com/small-business-network/2014/oct/03/entrepreneurs-how-leave-day-job-start-business>

How to leave your day job and start your dream business

The Telegraph

<http://www.telegraph.co.uk/finance/yourbusiness/11533081/How-to-start-a-business-for-99.html>

The Telegraph business section covers start-ups and includes an interesting article about how to start a business for £99.

Start-Up Websites

Business Advice

<http://businessadvice.co.uk>

Business Advice provides content for those early on in the entrepreneurial journey – the five million micro businesses seen as the “engine room” of the British economy.

START UP-DIRECTORY



Business is Great (Britain)

<http://www.greatbusiness.gov.uk/start/>

How to set up and register a company, and on the steps that you will need to take to turn your idea into a business.

Business Zone

<http://www.businesszone.co.uk>

Provides free, practical and no-nonsense advice for small businesses. Enter The Pitch to win big business prizes. Educating, empowering and enabling small business to succeed. www.thepitch.uk

bytestart

<http://www.bytestart.co.uk>

First established in 2004, ByteStart is now one of the most popular small business information sites in the UK. Independently run, bytestart provides no-nonsense guides and help for start-ups and small businesses.

Enterprise Nation

<https://www.enterprisenation.com>

Enterprise Nation was founded in 2005 by Emma Jones MBE. Its mission is to create an inspirational environment for business owners and would-be entrepreneurs, a supportive community, informational books and events, and a campaigning voice to help small businesses in the UK flourish.

Entrepreneurial-Spark

<http://www.entrepreneurial-spark.com>

Aims to develop entrepreneurs who have a #GoDo attitude with a solid grasp of how to create value...which makes them investable. With mentors, ambassadors and supporters, workshops, pitch practice and a full time 'entrepreneurial enabler' the focus is on the individual.

MyBusiness

<http://mybusiness.co.uk>

My Business provides practical information on areas such as finance, law, operations and marketing, helping owners run more efficient and profitable companies.

OnStartups

<http://onstartups.com>

An online community and blog for start-up entrepreneurs.

SmallBusiness.co.uk

<http://www.smallbusiness.co.uk/>

SmallBusiness.co.uk provides useful resources, products and services for small business owners and start-ups. Free online advice, news articles, guides, tips and features that can point you in the right direction to start your own small business.

Smarta

<http://www.smarta.com>

Essential tools to help you start your business. Our highly trained support team will help you build a dashboard of tools proven to help you run your business.

Start a Business (Gov.uk)

<https://www.gov.uk/starting-up-a-business/start-with-an-idea>

The Government's guide to starting a business. Very clear and simple to use.

StartUp Britain

startupbritain.org/

StartUp Britain is a campaign by entrepreneurs, for entrepreneurs. We offer inspiration, resources and guidance to help people start and grow their own business.



START UP-DIRECTORY

Start Up Donut

<http://www.startupdonut.co.uk>

The Donut websites are aimed at helping businesses to succeed by providing reliable information and resources that can save business owners time and money.

Start Up Grind

<https://www.startupgrind.com>

Startup Grind is the largest independent startup community, educating, inspiring, and connecting founders in over 185 cities.

Start Your Own Business

<https://www.syob.net>

Our site! Useful information, local contacts and a FREE start-up pack which contains everything that you need to get you started. It has been put together to make the process of starting a business as straight-forward as possible and to ensure that you do not miss anything important.

StartinBusiness

<http://www.startinbusiness.co.uk>

For starting up, buying, or expanding a business in the UK and Abroad

Startups

<http://startups.co.uk>

One of the most comprehensive advice platforms available on the web. Covers everything you need to know to start, buy, run or sell a business.

Virgin

<http://www.virgin.com/richard-branson/how-to-start-a-business>

Richard Branson's top tips for starting a business

Virgin Startup

<http://www.virginstartup.org>

Virgin StartUp, with support from the Virgin Group is run on a not for profit basis, so every pound goes towards their commitment to change the prospect of start-ups, for good.

wikiHow

<http://www.wikihow.com/Start-a-Small-Business>

How to start a small business. A six part guide with illustrations.

ABOUT | STARTING A BUSINESS | GROW A BUSINESS | NEWS | EVENTS | ENTREPRENEUR STORIES | MENTORING | FAQS | APPLY FOR FUNDING NOW

Virgin START THE NOT-FOR-PROFIT VIRGIN COMPANY FOR ENTREPRENEURS

Welcome to Virgin StartUp

Eligibility checker
Are you eligible for a start up loan?

Are you over 18? Yes No

Are you a British citizen or UK legal resident? Yes No

Do you wish to start or expand a business in England? Yes No

SUBMIT

3 key steps to getting started

- 1 Apply for Funding
- 2 One of our partners will contact you to assess your idea and support your loan application
- 3 If your loan application is approved we'll assign you with a mentor

Apply for Funding Now >

Tweets by @VirginStartUp

Virgin StartUp @VirginStartUp
Want to do business with other countries? An international trade show could help you make connections. #aventionaire via @infanbud

AND FINALLY

About the Author



Andy Pringle

My passion for enterprise began at school when a friend and I decided to put on a disco... to meet local girls! Almost by accident, I discovered that it is possible to make money doing something that you enjoy.

Since that time I have run my own businesses and still do so today, am the author of several books (if you have trouble sleeping, some are still available on Amazon for as little as 1p), and have experienced both the highs lows of being an entrepreneur (selling Christmas trees door to door was not one of my better ideas).

For the past 15 years, I have worked with hundreds of new business start-ups as a business adviser and mentor and have learned that there really are things that you can do which will dramatically increase your chances of success.

Taking the right advice in the early stages has to be the most important of these and this book has been designed to show you where help can be found locally.

I hope that it offers some useful pointers and that one or two of the items might even make you smile!

Start Your Own Business Website

Start Your Own Business was formed in 2005 to help anyone running their own business or thinking of doing so. The aim was to provide a resource that could highlight the support that is available in each area on a LOCAL basis. Our humble beginnings involved printing a very thin newspaper and handing it out to potential start-ups in our local area. Over time, the papers grew both in size and in area of coverage but it was only when the information could be shared via the Internet that things really started to boom. We can now offer useful local information and the theory of starting a business to start-ups all over the world. See: www.syob.net

Can you help local start-ups?

We are happy to promote any relevant business or organisation who offers goods or services to new business start ups in each area. See: www.syob.net/free-listing.php

Thankyou

Thank you very much to all the friends and family who put up with my rather too frequent flights of fancy, of which this is just the latest in a long line. Also, it would not have been possible without help and support from: *everyone at Enterprise First, Mark & Henriette, Roger Cawte, Hammie Tappenden, David Vane, Jane Buswell, Derek Speller, RocBase, Tim Coe, Jim Culverwell, Chris Buckingham, Laurie Barriol, Robert Bentley, the team at Bartercard, Stefan Thomas, Brad Burton, Maureen Frost, Alyson Roach, Steve Wilson, Mark Tillison, Chris Surridge, Amanda Johnson, Jim Gilhooley, Darren Beckinsale.*

Finally, thank YOU for reading this book, I sincerely hope that you found it helpful and that your business is a great success.

Good luck!

Andy (andy@syob.net)