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Thinking about starting a business?



Start here...

Some things to consider:

1. Find your passions
2. Know your strengths
3. Form an idea
4. Research the market
5. Consider the inputs
6. Sales method
7. Personal Budget



1. Find your passion

What do you enjoy most?

If you can, turn something you enjoy doing, or are passion about, into a commercial venture. It may not seem obvious how to achieve this at first, but with some imagination almost anything can be bought, sold or traded, and therefore turned into a successful business.

It's best to do something you know you will enjoy doing, because in creating a livelihood, you will ultimately be spending a lot of time doing it. When the going gets tough, as it sometimes will, it is important you remain driven to keep moving forward. This gets a little bit easier when you have a genuine love for the work you are doing.

The great thing about doing something you are already interested in is that you probably already have some of the basic knowledge, training and tools you need to start planning your venture. This will give you a head start and added confidence as you take your first steps in business.



As you establish your venture, your passions and beliefs will also guide the values of your business, which will be reflected in your brand, market position and operations. For example, if you are passionate about environmental conservation, you may wish to take this stance in the market, ensuring that your supply chain, manufacturing processes and products are all eco-friendly.

2. Know your strengths

What are your strengths (and weaknesses)?

Strengths and skills you may need:

- Financial Management
- Marketing
- Sales
- Strategy
- Customer Service
- Communication
- Project Management



Your strengths are the areas of business that you feel most confident, these are the skills and abilities that you can deliver to the highest quality. In employed work, these are areas you will likely be responsible for and by now, they come naturally to you. You will be asked to utilise these strengths often and can do so quite easily.

The problem is that, when starting a business, you will likely be responsible for running all elements of the operation, at least at first. Unlike in employed work, there is little room for specialisation, you need to practise and become adept in many areas.

It's important to recognise weak areas now, so that they don't become issues later on. Lots of things you can learn and improve as you go but it's desirable to have a basic understanding of all areas.

Some gaps in your skills base? Don't worry. There are loads of free courses and training available online to help you improve in these areas.

Try these:

Future Learn - www.futurelearn.com

Open Learn - www.open.edu/openlearn

Alison - www.alison.com

3. Form an idea

"That would be a great idea for a business..."

If you've ever told yourself this, you are already thinking in the right way.

When you are exploring ideas, it is best to shortlist several different ideas and compare them over the course of a few weeks. Try not to force yourself into producing one ground breaking idea in one go. The harder you try, the less successful you will be. With business ideas, the inspiration often comes when you least expect it.

Once you have some ideas, discuss them with friends and family. It is always useful to get feedback as it reveals new perspectives and insights that will improve your idea.

Research their validity...

Ask yourself:

- *What problem will it solve, or what solution will it improve on?*
- *Do people need this product or service?*
- *Why will people purchase this product or service (instead of alternatives)?*
- *Will it generate enough revenue to cover my living expenses?*



If you find it difficult to answer these questions, it may be best to consider other ideas.

4. Research the market

To put it simply, to bring a new product or service to market, it needs to meet at least one of the following criteria:

- A) Provides something new – that meets a previously unmet need.
- B) Provides something better – that improves on existing solutions.
- C) Creates something cheaper – that has cost advantages for customers.

When you have a business idea, take a look at the market that product or service would belong in. It may have applications in several sectors, so make sure to research all of them.

Consider the following questions to help you understand the market:

- *What are your customers wants and needs?*
- *What are the personal characteristics, traits, interests and perceptions of your customer group?*
- *What currently exists in this market, locally and nationally?*
- *Is what you're offering better? If not, how can it be made better?*
- *What is your identity/ brand personality? What do you want customers to associate your business with, for example, locality, eco-friendly, accessibility etc*

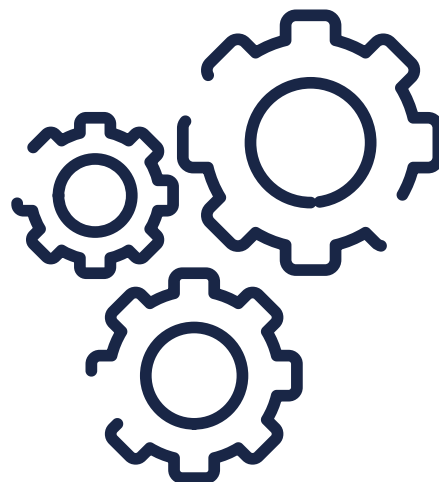


You can use these findings to help guide your product design, marketing and all other aspects of your business strategy moving forward.

5. Consider the inputs

What is needed to start the business?

Often when launching a business, you will not have all the tools, equipment, stock, premises or operational cash to start trading immediately. Many businesses will start by developing their logo, brand, website and promotional materials, but what else will you need to get *your* business off the ground?



**Will your business need a physical location to produce, store or sell your product?
If so, you will need to consider renting commercial premises.**

**Will you need to invest in equipment or machinery to produce your product?
Or, can this process be outsourced to a third party?**

**Will you need insurance or accreditation to provide your service legally?
If so, what is the process and cost of obtaining this?**

Create a list of what you will need to get started and cost each item. With this information you can calculate the total investment required to launch the business, and can now start to consider how you will fund this. Most people do not have sufficient cash lying around to make these purchases, so often need to consider other funding options:

Family & Friends - borrow from close friends and relatives.

Loan - borrow from your bank or apply for a start up loan.

Equity - offering a stake in your business to an investor.

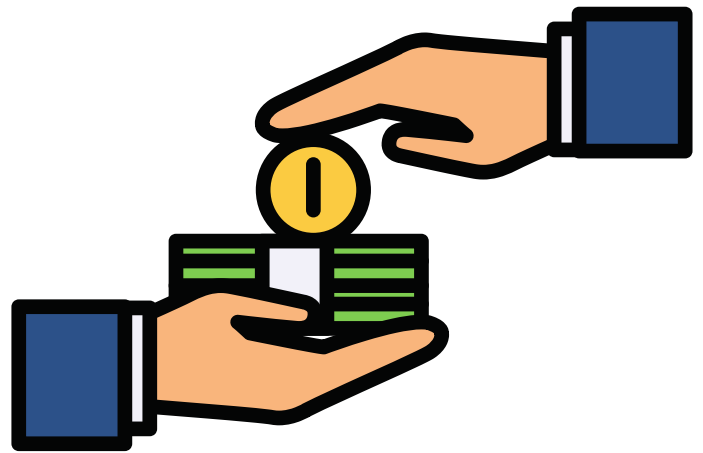
Others - explore crowdfunds, grants, business angels and other options.

6. Sales method

How will you sell your product or service?

If you cannot sell your product or service, your business will not survive.

These days, there are 101 different ways you can sell your product or service. Each different product and service is unique and will be best suited to a particular method of sales. For example, you may not need a high street shop to sell your product, in fact, it may be more suited to online sales.



Have you considered where you will sell your product?

- High street shop
- Third party distributors
- Local markets and trade fairs
- Online e-commerce store
- Online consumer platforms

Have you considered how you will sell it?

- What marketing techniques are best suited to your product and market?

For inspiration in this area, research what your competitors are doing as a jumping off point.

7. Personal Budget

One of the most important matters to consider is, will the business sustain your lifestyle and personal expenses?

Often new businesses take a little bit of time to grow and build their client base. As a result, many new business owners continue in employed work whilst their business takes off. This gives the added security of knowing you can cover personal expenses, and takes some of the pressure off your business performance in the early days.

To work out what your business will need to turnover to cover your personal expenses, create a personal survival budget. In this personal survival budget, you will work out what salary you need to earn in order to maintain the same standard of living, covering your rent or mortgage payments, utilities, groceries, and all other costs.



If your business is unlikely to cover your salary straight away, you may wish to consider launching the business as a 'side hustle' at first.

"What is a side hustle?"

A side hustle is any type of employment undertaken in addition to your full-time job. The advantage of starting a side hustle is that it allows you to try something new, and take a risk, with the security of falling back on your main income if things don't go to plan.

For further support...

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