

Starting Your Own Business

21 things to consider

You've decided to start your own business, congratulations! This can be one of the most exciting and daunting decisions you can make. There are an endless number of things you must now consider, though here are 21 to get you started.

1. Target Market

When most small businesses start, they are often happy to receive anyone as a customer. Over the longer term though, you can't be all things to all people, and it is important to determine your target market. This process often requires some honesty about what you are selling, the attributes your product has, and who you believe these attributes will appeal to. You may also need to make decisions that may turn away customers who are not within your target market.

2. Business Plan

A business plan summarises the operational and financial objectives of the business, and shows how they will be achieved. It serves as a blueprint to guide your business policies and strategies and is continually modified as conditions change and new opportunities and/or threats emerge.

3. Branding

Your business brand distinguishes you from your competitors in the market place. Your brand should be based on the attributes that your business possesses, convey how you want to be seen and obviously aimed at your target market. A design and branding professional can help you create your brand. This can be a time consuming and costly exercise, though is usually well worth the investment.

4. Advertising

A terrific brand is wasted if no potential customers ever get to see it. There are many ways to get your brand out to your target audience, each involving a different amount of cost, time commitment and success. Most successful businesses use a mixture of different types of advertising. This mix should be constantly reviewed, measured and reassessed.

5. Website

Very few modern businesses exist without a website. The importance of a website will depend largely on the nature of your business, though a website, at a minimum, can validate your presence within a market place. You can build your own website or have someone develop it for you. One of the most important aspects of your website will be Search Engine Optimisation (SEO) which refers to how high your website will be placed when people search for your business and/or products.

6. Licenses, permits, certifications, registrations etc.

Many businesses require specific licences, permits, certifications and registrations with government agencies or professional bodies, to operate within their chosen industry. Government agencies and professional bodies are not known for their efficiency, and obtaining the necessary licences etc. can often take much longer and involve much more 'red tape' than you would expect. You should get onto this early therefore and keep following up until you get what you need.

7. Premises & Location

Your business premises is usually where you will interact with your customers. It is obviously important therefore, to consider the location, the suitability and the cost of your premises. Businesses renting premises will be under a lease agreement, and you should be aware of the details of that agreement and your obligations and rights.

8. Contacts and agreements

Most businesses will operate under agreements and/or contacts with suppliers, customers, contractors, landlords etc. You should be aware of the details of each agreement and/or contract, know what your obligations are, be able to meet these obligations and understand what is expected from the other party.

9. Legal advice

Getting good legal advice up front can save you enormous future headaches and cost. You should use a lawyer who is familiar with commercial transactions and someone you feel comfortable with. You should seek legal advice whenever entering into binding contracts, leases, agreements etc.

10. Insurance

There are various types of insurance applicable to small businesses. Some are mandatory, some will be required by lenders, some are optional. For most small business owners, their business is their livelihood and the most important asset they own. Making sure that this asset is properly protected is fundamentally important. Speak to an experienced insurance broker who will talk through the different types of insurance and the level of cover you need.

11. Communications

Modern phone and internet communication is vital to most businesses. Unfortunately, dealing with large telecommunications companies is often a frustrating experience. Get onto this early and keep following up until you get what you need.

12. Computers and IT

Very few businesses operate without the aid of computers. If you have a single PC, or a multiuser network, you should have adequate data backup, anti-virus and support in place. An IT professional can assist in this regard.

13. Software

Many businesses run industry specific software relevant to their business and/or internal bookkeeping and accounting software. The usefulness of any piece software though is limited to the skill of the user. Make sure you know what software is right for you and how to use it so becomes a tool to improve your business.

14. Tax registrations and reporting

Most Australian businesses are required to be registered for GST and lodge a quarterly BAS. If you have employees, you will also need to register for Pay As You Go (PAYG) withholding. Various other tax registrations may be required, depending on the nature of your business and the industry in which you operate.

15. Staff

Employing staff is a big responsibility both legally and practically. There are many statutory requirements you must adhere to regarding rates of pay, awards, entitlements, workers compensation insurance and superannuation guarantee. Keeping staff motivated, managing staff performance, hiring and replacing staff are activities employers must consider continually.

16. Plant, equipment, furniture, fittings etc.

Most businesses need physical assets to operate. These assets will need to be purchased, maintained and ideally, insured. At some point, practically all assets will need replaced which usually represents a major cost to the business. Make sure you assess your equipment, plan what you will in the future and how you will fund these acquisitions.

17. Stationery

Most businesses will generate some form of paperwork in the form of invoices, quotes, receipts remittances etc. This stationery should meet all legal and statutory requirements, record relevant information, avoid unnecessary duplication, be standardised across the business and stored securely.

18. Systems and Processes

Every business will have its own way of doing things and its own systems and processes. Ideally, these systems and processes should be well considered and thought out, efficient and productive, clear and consistent, understood by everyone in the business, be documented where possible and continually reviewed and improved.

19. Banking

Your business banking needs will depend on many variables including the nature of your business, the manner in which your customers pay you, the volume of transactions you intend to process, the average size of each transaction etc. You should speak to a business banker who can tailor a business banking package which will meet your needs.

20. Legal structure

There are various legal structures available in which to operate your business. Each of these structures offer a different level of asset protection, flexibility, cost and tax effectiveness. Changing business structures once the business is established, can be very expensive. It is worth getting your structure right, up-front.

21. Get a good accountant!

Last but certainly not least, you should get a good accountant to help you guide your way through various aspects of starting and building your business. You should choose someone with a broad range of experience, someone you can talk to and feel comfortable with, and someone who tells you what you need to know, not just what you want to hear. Your accountant may not be able to do everything, though they will often be able to refer to their network of contacts and recommend other professionals to assist where required.