



SMALL BUSINESS STARTUP

Starting Your Own Business

Starting your own business can be an exciting and rewarding endeavour. However, it is not without risks. Studies show that 1 in 3 startups in the United Kingdom fail within the first three years. Many times this is because of improper planning, lack of business knowledge, failure to conduct market research or simply setting unrealistic expectations. The following is a general overview of the steps you should take to help ensure your startup becomes a successful one.

How to Start

Most businesses get their start from a single idea. This idea must be turned into a product or service that people will want to buy. The following steps will help you.

1. **Research Your Market**

Market research involves identifying and contacting potential customers to determine whether your idea meets a need in the market. You want to make sure that there is a real demand for what you are planning to sell. Researching your market allows you to address problems before wasting too much time, effort and money. Make sure you:

- Identify and talk to potential customers about their specific needs.
- Test your services with potential customers. Ask them for feedback.
- Find out what potential customers would be willing to pay for your services. Try different pricing with different customers to see what people will really pay. This will help ensure you can make a return on your investment.
- Determine what makes you stand out from competitors. Are you providing something better than or different from what is already available?

Prepare for Success

Recent studies have shown that:

- 20 per cent of businesses fail within the first year
- 50 per cent of businesses fail within the first three years

However, the good news is that many new businesses do become successful and profitable. Make sure you properly plan, conduct market research and secure adequate funding to increase your chances for success.

The content of this Small Business StartUp Guide is of general interest and is not intended to apply to specific circumstances. It does not purport to be a comprehensive analysis of all matters relevant to its subject matter. The content should not, therefore, be regarded as constituting legal advice and not be relied upon as such. In relation to any particular problem which they may have, readers are advised to seek specific advice. Further, the law may have changed since first publication and the reader is cautioned accordingly. Design © 2013 Zywave, Inc. All rights reserved.

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2. Develop and Plan Your Product or Service

- Test your service with real customers; make changes based on their feedback and test again.
- Continue to test until you are sure that customers will be willing to pay what you are asking and that their needs are being met.
- Address any issues, including how you are planning to make and you're your services.
- Write a business plan to show the results of your customer research and explain that your idea for a business is viable. This tool will be essential in helping you secure funding and find partners.

3. Find Partners and Suppliers

You need to work with others in order to develop and sell your idea. Many businesses start with just one person, but consider taking on partners and suppliers.

- Having a partner allows you to bring in someone with different skills and expertise with whom you can share responsibilities.
- Contact potential suppliers if you need raw materials, supplies or equipment to run your business. Get estimates, negotiate prices and develop relationships with reliable and trustworthy suppliers.

4. Set Up your Business

- Decide what legal structure your new business will be: sole trader, partnership or limited company. Each structure affects personal liability, tax requirements and control issues.
- Decide if you will be employing staff. If so, this may require additional legal responsibilities, such as health and safety compliance, insurance requirements, and licences and permits.

5. Find Additional Funding

- If needed, explore different sources of funding, including bank loans, government-backed schemes or selling shares.

For more in-depth information, please contact Anchorman Insurance Consultants Limited or see the additional resources below.

Additional Business Resources

- For business advice and support over the phone, call the Business Link Helpline at 0845 600 9006 (Monday-Friday 9am to 6pm).
- A number of business training courses are available from the National Careers Service. Look up available courses at www.gov.uk/find-business-training-courses.
- Many business training and networking events are listed on the GOV.UK site at www.gov.uk/events-finder.
- For help in developing business ideas, visit the National Enterprise Network at www.nationalenterprisenetwork.org.