



## A guide to

# Starting your own business

**Exciting times.** Whether you're planning your new venture, about to start it, or in the early days of running your business, the adrenaline will be flowing. A few butterflies, too. With so much to think about it's only to be expected that you'll experience the full range of emotions. And at a time like this you've probably been, or been thinking about, seeking advice from various quarters. Even if you've already done so, some free advice on the issues that need to be upper-most in your mind like sales, software, business finance, premises, people management and employment might still be helpful.

We hope what you find in this guide can make a difference, however small, to the future success of your venture.



**sage**



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## The world of small business in the UK

You are entering a world that is important to the UK economy. The facts bear this out:

- **There were an estimated 4.3 million business enterprises** in the UK at the start of 2005 - a rise of 8.5% between 2003 and 2005. (1)
- **46.8% of business employment was in small enterprises** at the start of 2005. (2)

Yet, when so many factors determine the success or failure of a start-up enterprise, surprisingly few new business owners seek advice:

- **In 2004, just a third of business owners** sought advice from other professional services such as banks and solicitors. (3)
- **Government funded business support** such as Business Links in England were used by only 16% of businesses in 2004. (3)

Given the number of young businesses that don't seek advice then here's one last fact that is worth digesting:

- **During 2004, an estimated 181,400 companies** registered for VAT and an estimated 179,400 companies de-registered - this is the best official guide to the pattern of business start-ups and closures for the year. (4)

(1) DTI press release 20/12/06 (2) DTI press release 31/08/06 (3) From 'Lifting the Barriers to Growth in UK Small Businesses 2004' report by the FSB (4) DTI Press release, 12/10/05

## The line between success or failure needn't be so thin

There's a lot at stake when starting a new business. While you want to see your business become established, it's a fact of life that many companies fail. In the UK the number of start-ups matches the number of closures each year. Here's a checklist of some of things you have to deal with or should be thinking about when you start up your new business:

- Writing a business plan.
- Choosing the right premises.
- Choosing the right people to work for you.
- With employment comes the need to be aware of
- Health & Safety and employment law.
- Setting up the right IT – with software you can trust.
- Keeping track of money coming in and money going out.
- That might include VAT.
- Calculating the risks involved.
- Knowing exactly what money is owed to you.
- Preparing figures for accountants – understanding tax will help.
- Printing your invoices and quotations.
- Attracting customers – and then keeping them!
- Diary management – never miss an important meeting or delivery date.
- Comparing costs with your competition.
- Understanding the industry that you're launching yourself into.

**Get all the above organised and sorted and you'll find that the line between success and failure doesn't look so thin any more!**

## Where support can be helpful

The businesses that succeed are often the ones with access to vital knowledge, information and support on a huge range of business issues. Without that knowledge and support, you might not be giving your business the chance of success it deserves. Here are just a few examples of the kind of information that you should know before you start

### Protecting your business

If you are starting a business, protecting your company name and trademarks is essential. If you don't register a trademark, you may lose any rights to use that trademark if you discover another business using a similar one. But do you really know how to register a trademark?

### Building good customer relationships

Even if your products, services or prices are fantastic, your new business still needs to build up good customer relationships for it to succeed. It means getting to know your customers, and offering them something completely unique that goes over and above any products or services you also offer. How much experience do you have of doing that?

### Meeting targets

New businesses often don't operate as effectively and efficiently as they could. With the right kind of support, your new business could meet and exceed its targets in everything from planning and tax to advertising and marketing.

### Looking after your people

Often, the most valuable assets in a business are its people, and knowing how to lead, manage and motivate them is vital. Good support and advice can help you do the right thing when it comes to managing your staff and making sure you get the best from them.

### Managing VAT

If you register your new business for VAT, you'll be expected to complete regular VAT returns, and make payments to HM Revenue & Customs. However, managing your VAT can be much more complex than it seems, and getting it wrong can be costly.

### Marketing your new business

Like most new businesses, the chances are that you're doing everything on a small budget, including your marketing activity. However, there are lots of ways to promote your business without spending lots of cash - you just need to ask the right people.

### Building a competitive edge

Whatever your new business, getting the right advice at the right time could give you a real edge over your competitors. Without that edge, you could lose customers to your competitors and your bottom line will suffer.

## Where support can be helpful cont.

### **Finding new clients and customers**

Every new business needs customers. One of the best ways to find them is by networking but it'll only be worthwhile if you find out how to network, who to network with, and where to do it.

### **Paying your staff**

There are many pieces of employment legislation which will determine how you pay your staff, such as the National Minimum Wage and the Equal Pay Act. What's more, UK employment law changes often and keeping up with those changes can be a huge challenge in itself.

### **Recruiting the best people**

Whatever stage your new business is at, growing it often means recruiting new people. But if you've never done that kind of thing before, where would you start when it comes to finding qualified, experienced and competent people? There's legislation involved and it's something that you need to get right first time.

### **Health & Safety**

If your new business has people and premises, it's up to you to ensure that everything and everyone is safe. Under the Health and Safety at Work Act 1974, you need to ensure you have a current written health and safety policy, and just as importantly, you need to make sure that you know exactly what to do if something does go wrong.

### **Your company website**

As a new business, your website could be one of your most valuable assets. However, getting the most from it, and making it useful for your customers, often requires expert advice on everything from its design to the way your website content is written.

### **Discrimination**

As an employer, it's your responsibility to treat all of your people equally and fairly, and to not discriminate on the basis of sex, pregnancy or maternity leave, sexual orientation, marital status, race, disability, employment status, religion, or belief. It's something that you simply can't compromise on.

### **Business Software**

If you already use software to help you run your new business, are you certain that you are getting the most from it? Good business support can help you make sure that your software is working as hard as possible for you.

**For more information like this, visit [www.sagestartup.co.uk](http://www.sagestartup.co.uk)**

## eBay. Following the rules

More and more new business start-ups are using eBay as their route to potential riches. It has a great deal going for it. Setting up costs are low (in some cases none are involved) and you can begin to trade quickly. However, there are a number of aspects to consider before you click onto that option.

As an eBay business you need:

- **To make sure that your product** is of good quality so your source must be reliable.
- **To ensure the manufacturing price** will enable you to make a good profit.
- **To negotiate distribution costs** and make sure the weight of your product is in line with the cost of distribution.
- **To avoid trying to distribute on the cheap** - it never works!
- **To follow the advice** given by eBay on selling.
- **To make sure you don't overstate** or underestimate your product description.
- **To use PayPal** - or others - to ensure that you receive the money from your buyer.

**Above all, be honest at all times. eBay these rules and you can have a successful business.**

## 15 minutes to start your business

Everything you've read so far gives you an idea of how important it is to have a full understanding of all the factors involved in setting up and running your business. However, a swift way to cover all the elements mentioned in the checklist on page 5 is to use Sage Start-up. Sage Start-up is a package that will do it all. And it'll only take you 15 minutes to get up and running.

**Sage Start-up combines software, web resources and unlimited support that will enable you to keep control at whatever stage you are at.**

### **Subscription-based service that can grow with you**

Once your new business is established, Sage Start-up can provide the foundations for the next stage in your growth. In fact, Sage has a whole range of excellent software and support services that can grow as you do.

But your first step should be Sage Start-up. The complete package is purchased by Direct Debit over 10 months, at £14.90 per month. It's a small price to pay for the help and support that'll put you in control of your business's finances from day one.



To buy Sage Start-up call  
**0800 44 77 77** or visit  
**www.sagestartup.co.uk**  
to download a 30 day trial