

## **Getting Ready to Start Your Business - in 8 Steps**

So, you may be thinking to take the plunge and start your own business.

One step at a time....

Start by considering these 8 key areas vital to any startup or business expansion.

### **1. Define Your Business Idea**

What services or goods will you be selling?

In the case of services, these would best be based on your own skill set or profession. There is more flexibility in choice when it comes to goods but of course, the more you know about the product, the greater the chances of success.

This may seem obvious however these are fundamentals one cannot get wrong. Some people are naturals when it comes to business, but this doesn't mean that vital business skills cannot be learnt. If you are passionate about your idea, this will always help.

### **2. Identify Your Angle**

It is most unlikely that your idea will be an original one. You will therefore need to give your fledgling business venture an edge over your competitors in the market. You either need to do it differently or better, or ensure your product/service offers more value to customers.

The way you differentiate yourself in your market will guide your marketing and sales strategy. The advantage that your business has in the market will always be work-in-progress, and it will constantly need adjustment and innovation to keep up with an ever-changing environment.

### **3. Decide on the Skill Set/Organisational Mix**

You may wish to forge ahead solo, but should you?

One needs to be realistic about this. You will need to determine whether you need to bring in certain skills, finance or resources by taking on a partner or partners or including professional fees in your operation costs.

Also, think ahead. How far can you take this business into the future alone? Will you need partners later?

The good news is that expertise and resources can be brought in at a later stage. The decision between partners and employed managers or subcontractor is one that requires serious consideration.

### **4. Chart a Business & Market Research Plan**

One cannot overestimate the importance of preparing a comprehensive business plan. Market research is possibly the most critical chapter of this document. Untold numbers of business have failed because they threw themselves enthusiastically into a venture without properly assessing their chances of success. This exercise will help you consider whether your market will be local, national or international, and help fine-tune your business model with regards to product and service specifications.

## **5. Establish Clear Goals**

Clear and quantifiable goals are key. Unless you know what you want to achieve, your business will be left treading in deep water and likely be overcome by competitors or events.

Clear Goals will also assist you with decision-making as once you have decided where you wish to go, all future decisions will be guided by what is conducive or not to reaching the targets set. Evolving circumstances will impose a degree of flexibility within the overall direction taken.

## **6. Organize Finance & Structure**

Businesses need to be well-funded by capital injections via owner/s, shareholders, banks or private loan financing. The latter will come at a cost, but the former will not. Actually that is not strictly true as the cost of share capital is the risk of losing it. Choose your mix and evaluate the impact this has on profitability.

Here we are assuming that business will be operated within a limited liability company (LLC) structure. The purpose of the LLC is to protect the personal assets of the owner/s from business liability, arising from bankruptcy proceedings or creditors should the business flounder but you can operate as a sole proprietor or partnership.

## **7. Map Out Your Sales Targets & Back Office Procedures**

The logistics and systems for achieving sales targets should be planned and followed up. Sales revenues fuel the business model. If there is one system which must not fail, it is your method for achieving sales.

Back office administration and record-keeping can afford to not be 100% perfect. There is no doubt however that good and timely record-keeping and an organized administration all make for an effectively run enterprise.

## **8. Focus on Your Strategic Goals**

The goals set in the business plan have to be well-thought-out. They should not be forgotten once the operation starts. They are part of an integrated plan and the entrepreneur's focus should remain fixed on this objective.

The business' managers should keep an open-mind as markets change and resources fluctuate. Goals may need to be altered or fine-tuned. Feed the changes and variables into your business model and see what else may need adjusting.

## **Conclusion**

The above 8 indicators are signs pointing in a direction. As the owner or owners of the company, you are the captain of this voyage, and whether the seas will be rough or not depends on how you navigate your way and which straits you choose to pass through.