

START YOUR OWN BUSINESS

STEP-BY-STEP

**LOOK
BEFORE
YOU LEAP!**

How to Start a New Business Step-by-Step

- * Simple to follow * Written in plain English
- * Links to all key documents * Useful contacts and links
- * Designed to be used in conjunction with www.syob.net

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Setting Up On Your Own

Being self-employed or running a business does not suit everyone. You need to have a passion for what you are doing; you may have to put up with stress; loss of sleep; and lack of money. Sounds great doesn't it?

The upside can be: freedom; no superiors, the opportunity to do something that you love; and the possibility of making lots of money. This is why so many new businesses are formed every year and that as many as one in five of the working population would also like to work for themselves. This overview should give you an idea of the key subjects that you should consider if you wish to transform your idea into a sustainable business.

Are you the right type of person?

There are no formal qualifications required to start your own business and anyone can have a go. The truth is that only the most determined and hard working people survive. You will need to master a multitude of new skills but if you love what you are doing or can convert a hobby into a business you stand a much better chance of success.

Are you the right type of person to start your own business? This list of questions, if answered honestly, should help you find out.

Answer the following questions with yes or no...

- Q. How well do you get on with other people?
- Q. Are you a self-starter?
- Q. Are you persistent?
- Q. Are you healthy?

- Q. Are you a leader (or a follower)?
- Q. Are you prepared to cold call/sell?
- Q. Are you financially stable?
- Q. Are you prepared to take (calculated) risks?
- Q. Are you prepared to take professional advice?
- Q. Are you really serious about the idea?
- Q. Do you have the support of your loved ones?
- Q. Do you have experience in this type of business?
- Q. Do you have self-confidence?
- Q. Can you handle stress?
- Q. Are you prepared to work long hours?
- Q. Can you take criticism?
- Q. Do you complete checklists? (Only joking!)

If you answered 'yes' to all of the above questions, you are either perfect for the role or you have an unrealistic view of your own capabilities/situation. If like most people, you have some 'no's', do not be put off - simply review those questions and ask yourself how you can turn the 'no's' into 'yes's'.

Why are you doing this?

Many people think that the reason for starting a business is to make a fortune. Whilst this is certainly true for some, the majority of small business owners probably earn less than their employed counterparts. Independence, creating something new, flexible hours, and personal satisfaction are long lasting incentives. The desire to make money is not usually enough by itself.

Are your circumstances suitable?

Working for yourself can also provide a realistic alternative career if your circumstances make it difficult to find or hold onto a job. The flexibility and wide range of choices make it possible for virtually anyone to set up on their own. Single parents, people with disabilities, the unemployed and ex-offenders may find that this is a way to support themselves without the need for benefits.

Do you have support of family and friends?

Stress and lack of money can put a strain on any household. It is best to make sure that your nearest and dearest are 100% behind you before you begin.

Top tip! Although your venture may occupy the greater part of your brain for much of the time, try and make sure that it is not to the exclusion of those around you. It is very easy to become a business bore (as my wife will testify!).

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Business Idea

Whether you have identified a gap in a market, are planning to buy an existing business or buy a franchise, you need to make sure that the idea is viable and the next set of questions are designed to help you consider your options.

Did you know? Enterprising student Alex Tew sold enough pixels to fund his way through university. Tew, 21, decided to offer pixels for a buck on his www.milliondollarhomepage.com as part of a cunning scheme to raise cash.

What are your skills?

Think very carefully about your strengths and weaknesses and be honest with yourself. You are unlikely to be able to do everything yourself - certainly not effectively. A successful Business requires sales, administration, accounting, and strong marketing, as well as the core trade/product/idea/profession. The way to succeed is to 'do all the bits that you can do well, and get help for the rest'.

Are you going to start from scratch?

Setting up something completely new can be extremely exciting - but challenging! With so many different things to think about, it can be easy to overlook something. (See our list of the top ten mistakes.)

Buy a business?

Buying an existing business is a good way to leapfrog much of the set up process. Although the cost of purchase may be higher than if you started from scratch, you do gain a trading concern from day one and should be able to get a realistic idea of the potential turnover/profits from the audited accounts.

Buy a franchise?

Franchising is the granting of a licence by one person (the franchisor) to another (the franchisee), which entitles the franchisee to trade under the trade mark/trade name of the franchisor. The franchisor will receive an initial fee from the franchisee, payable at the outset, together with on-going management service fees, usually based on a percentage of annual turnover. In return, the franchisor has an obligation to support the franchise network, notably with training, product development, advertising, promotional activities and with a specialist range of management services.

Planning

When you are excited about the prospect of stating your business, the planning stage can seem tiresome, however I cannot overstate the importance of this part of the process.

Researching your idea thoroughly, preparing a business plan, and a cash flow forecast are vital components of a SUCCESSFUL business (even if you do not need to approach a lender for money - remember, this is for YOU).

Top tip. There is a temptation to worry that someone else will 'get in first' - however this fear is usually completely unfounded. Do not rush - it is better to take your time and get it right.

Research your idea and your market

Time spent on researching will be valuable - whatever you discover. Do not be afraid to find bad news - it is better to uncover direct competition or flaws in your plan at this early stage rather than when it is likely to cost you real money. Use the Internet, books, magazines, trade press, and libraries. Talk to business advisors, friends, relatives, and other business people.

Top tip. Learn as much as you can about your competition or how similar businesses work in other areas (there is no better way to find their strengths and weaknesses).

Start Networking

Networking is a great way to make new business contacts (and to put on weight). Often run as breakfast, lunch or social events, it is an opportunity to get to know other local business people and if handled correctly, may ultimately lead to more custom.

There will be many formal and informal networks near you. Your local Chamber of Commerce may be a good starting point but there are also plenty of national and local networks. It is a good idea to try a few to see which suit you best before committing to a joining fee.

Top tip. Do not 'sell' to everyone who you meet - this is likely to put them off you and your business rather than entice them to buy from you. Your chances of obtaining new business are far greater if you genuinely try and find ways to help them.

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Prepare a Business Plan

There are plenty of sites on the web that try and sell you sample plans but be extremely wary before parting with any cash. Some of the more sector specific examples may be useful, but you should be able to find free templates if you have a hunt around. Alternatively, your bank or accountant will almost certainly give you one without charge.

Did you know? One advisory agency undertook a survey of local people whose businesses had failed to start or had ceased trading in the early stages. It transpired that over 90% of them admitted that they did not have a business plan.

Create a Cash Flow Forecast

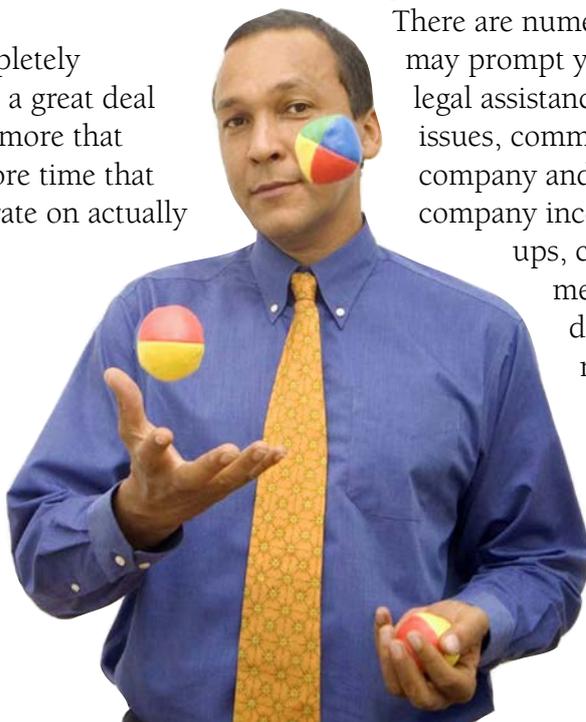
Sadly, money rarely comes in or goes out at the most convenient time (for example you may have to pay for your stock before you can sell it). A cash flow forecast will help you work out roughly what you can expect financially in the future - even if some of it will be based upon guesswork. This is vital information, particularly if you are planning to borrow money - it is best to plan for the maximum amount that you will need rather than having to keep going back to your lender asking for more.

Top tip. Most businesses have peaks and troughs - planning ahead will help you survive the quieter times. A landscape gardener may be well advised to save some of the summer income to carry through the winter months when work could be harder to find. How does this relate to you?

Setting Up

Making sure that you are completely prepared for 'take off' involves a great deal of thought and planning. The more that you can do in advance, the more time that you will have later to concentrate on actually running the business.

Top tip! This is an exciting stage and enjoyable because it is within your control and usually involves making other people happy by giving them money. Do not get carried away with expenditure and never stop thinking about where your income is going to come from.



Naming Your Business

Many times it is harder to name a new business than we think the process will be. It seems like you should be able to come up with something catchy that you like the sound of and run with it, but it isn't that simple. You must investigate the possibility that someone else has already chosen that name, and, if so, what rights they possess to use that name in the area/market you will be serving.

You can check this by looking in your local Directory/Yellow Pages and searching on Google. If you are planning to start a limited company, you will be able to check with Companies House to see if your preferred name is still available.

One more recent but extremely important consideration is whether a suitable domain name can be acquired for your website to tie in with the name of your company. If your business will be operating on the Web, your trade name might be your domain name. There sites that allow you to check to see what names are still available.

Accountancy

Keeping track of income and expenditure is vital to the financial health of any business, as is complying with the demands of the taxman. Careful planning, bookkeeping, and compiling annual accounts are often best left to someone with the required experience and skills - an Accountant or qualified bookkeeper.

Legal matters

There are numerous areas of the Law that may prompt you to seek professional legal assistance. Company /commercial issues, commercial agreements / contracts, company and business sales and purchases, company incorporation / business start-ups, contract advice, joint ventures, mergers, acquisitions and disposals, minority shareholder rights, partnership agreements, raising capital, share schemes, shareholder agreements, terms and conditions of business, restructuring your business, agency & distribution agreements, franchise agreements, commercial property issues.

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Office Equipment

A well set-up office, the equipment, the systems and the environment all contribute to making you and your business more efficient. Instead of cobbling together your office as you go along, plan it properly from the start.

IT

With most people, starting a new business means investing blood, sweat and tears into their new idea and working hard to see it grow into something to be proud of. It usually also means investing a fair amount of money. If this hard earned cash is invested in the wrong area it can quickly disappear. This is particularly relevant when it comes to IT. Neither the hardware, software nor support come cheap and if you get it wrong you can suddenly find a large hole in your finances replacing the wrong systems.

Top tip! Repetitive strain injury (RSI) is becoming increasingly widespread as we spend more time using computers. The following website offers useful pictures showing the correct posture to adopt if you want to avoid this painful ailment <http://ergo.human.cornell.edu/AHTutorials/typingposture.html>

Furniture

Your business space should be planned carefully, as the right equipment and furniture will not only save you time and effort, but money, too. Old or inconvenient furniture results in a messy workspace, loss of productivity and can eventually lead to back or wrist pain. When you depend on yourself for your income, any time you are not working to your full productivity, you are losing money. That is why most business owners need to pay special attention to their furniture, choosing the one that provides top performance.

Quote, unquote! “We don’t blame our competitors for charging less for their furniture. After all, they should know what their stuff is worth.” (Anon)

Telecomms

Advances in technology have dramatically changed the way that we communicate with each other. Mobile phones, broadband Internet and wireless technology all have a part to play in a successful modern business.

Did you know? One report claimed that radiation emissions from mobile phones could place users

at risk of brain conditions including Alzheimer’s disease, texting can lead to repetitive strain injury and an eminent Doctor has reported that too much use of a Blackberry could result in osteoarthritis in your thumb. Don’t you just love progress?

Stationery

There is a massive cost difference between buying small and large quantities of stationery. Calculate what you are likely to need to cover you for a reasonable period and then shop around. Compare local wholesaler’s prices as well as Internet/mail order.

Insurance

For peace of mind, please carefully consider whether your business needs insurance. It is one of those costs that sometimes can be ‘saved’ but then prove costly later. The types of insurance that you may be applicable are: Public Liability (essential if you are dealing with members of the public), Employers Liability, Professional Indemnity, Key Man, Director’s Insurance, Equipment, Buildings & Contents Cover, Motor Insurance, Goods in Transit, Legal Expenses Insurance. Speak to a reputable broker if you are in any doubt.

Did you know? Arson is the most financially crippling crime small businesses can face; a report showed that it accounted for 40% of crime related insurance payouts to businesses. (AXA Insurance)

Summary

There is plenty to think about if you want your business to stand the best chance of success. Many of the topics touched upon in this section are explained in more detail further on in this guide. However, we would strongly recommend that you make the most of the professional business advice - much of which is free - that is available in the area.



COMMON MISTAKES



Common Mistakes

Whether you are planning to turn your hobby into a business or you have global aspirations, many of the pitfalls in the early stages are very similar.

Not only that, they have been faced by hundreds of thousands of start ups that have gone before you. Here are some of the most common traps, to help you avoid having to experience them first hand.

Don't get caught!

Business owners face challenges every day. Here is a quick checklist of the some of the most common traps that you need to avoid.

Not Enough Capital

Assessing small business start up costs is tricky. Most business owners project operating costs to the point of break-even. (The break-even point is when the daily or monthly income from the business equals the daily or monthly expenses to stay in business.) What start up costs should include is all the costs required to open for business, and all the operating costs to the point of profitability. This means that the 'break-even point,' should be when the owner estimates he or she will be able to get paid the minimum salary required. Estimating start up costs should include the following:

- Start up purchase costs: Equipment, furniture, insurance, business licenses, etc.
- Re-occurring costs: Utilities, telephones, outsourcing, insurance, business licenses, etc. (Notice that some start up costs are also Re-occurring costs.)
- Advertising/marketing costs: Here are some of the biggest pitfalls for small business owners.

Even big businesses often have no idea how much they will need to spend in advertising dollars to bring in enough business. Most can only estimate this based on experience. .

- Product or inventory costs: The purchase and/or financing costs of inventory.

- Holding costs (of products or inventory): If inventory is required, housing, insuring, and handling inventory can become expensive.

Spending Too Much

While this seems to be easy to avoid, this is one of the most common start up mistakes. One distinct advantage of the home based business is low overhead, but many of these business owners buy services they don't really need, or max out their credit cards on equipment, computers, mobile phones, PDAs, copiers, printers, and other gadgets. Don't buy anything unless you know you need it.

Lack of Knowledge

Most people do not lack the knowledge about the industry they start a business in, but about business in general. Just because you know your stuff at your job, does not necessarily mean you could succeed on your own. Leaving a job to start a business even in the same industry means:

You wear all the hats

While on your job you might be responsible for purchasing, in your business you'll also have to fill all the other roles such as customer service, human resources, management, custodian, delegator, administrator, file clerk, office manager, payroll administrator, consultant, and CEO.

The buck stops with you

This one is huge. So many people get overwhelmed quickly in their own business because they did not account for the seemingly boundless obligations.

When you are employed, your true responsibilities and liabilities are limited. Mistakes could be another department's fault, or when a client sues your employer, even if you were involved, you might have no real personal liability. In your own business, the buck stops with you. You have to answer to every dissatisfied customer and deal with every new challenge.

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Sticking to the Law

You need to know what laws your business is subject to. This includes licensing and permits, employees, insurance requirements, tariffs, taxes, payroll withholdings, record keeping, and more.

Not Adequately Defining the Market

A small business can easily exhaust all capital in advertising. Whether it's traditional print ads or pay per click, if the target market is not reached, the mistake could be realized too late.

Mismanagement

New small business owners often start without a plan or fail to follow their plan. Learning to prioritize, organize, and improvise can be new to people who have not worked in previous management positions.

Not Having Contacts and Services in Place

There is nothing worse than needing a contact for a business transaction, and losing the deal before you can find the help. Having no or poor subcontract services can leave you scrambling to find help.

There is an enormous amount of information required to operate a business.

- * Administrative Techniques
- * Advertising. Effectiveness, costs, creation, monitor
- * Bookkeeping - record keeping
- * Financial management, profit and loss
- * Law
- * Marketing
- * Personnel management
- * Networking
- * The product or service itself

This search alone can be enough to hurt a small business. When in a pressure situation, many owners take shortcuts, make poor decisions, and choose subpar services.

Ineffective Marketing

This mistake can include inefficient marketing, poor content, ill timed advertising, wrong target market, and overspending, and many more.

Learning your market and how to get business could be the most important aspect. Having more than enough business can compensate for mistakes or shortcomings in other areas.

Failing to Rectify Mistakes

Sometimes business owners fail to recognize mistakes, but even worse, when they do spot them, they do nothing. This happens for several reasons. If the business owner has come from an employment position, many times he or she does not fully grasp that the buck now stops with them. They are used to someone else taking the responsibility. These owners often become immobilized in the face of a blunder, and do nothing. This is where a business mentor can be a lifesaver. Every new business owner should have one or more seasoned mentor to turn to in turbulent times.

Refusing to Delegate

Small business owners are usually 'take charge' people. They know their businesses better than anyone else and can do most every job. In the beginning and as their business grows, these owners often retain duties and responsibilities far beneath their capabilities and not in the best health of the business. As a small business owner, you must decide which jobs would be better off delegated or out-sourced. Do not hang on to any duty, which would be better delegated.

Time Management

Time is money. There are so many distractions in today's world of business. Few people manage their time effectively. All the conveniences such as phones, PDA's, email, the Internet, online meetings and software updates, can consume your time if not used wisely. The home-based business can even face additional interruptions from family and chores.

You have to be self-motivating

When you're an employee, you have a job description and someone is usually telling you what to do, directly or indirectly. You will be in charge of your own actions as a small business owner. You can't just wait for business to happen. Becoming self motivated with the kind of discipline needed to run a small business can be a tough adjustment for people coming from long term employment.

Starting a business takes enormous energy

You can't afford to just coast along, go through the motions, or get burnt out. Ultimately, you are likely to be the main reason why the business either succeeds or fails and we hope that these pointers increase the chances that you will be celebrating success.

BUSINESS PLANNING



Take Advice

Setting up a business is very easy, all you need to do is print some flyers or business cards and wait for the phone to ring! Setting up a business successfully is a completely different matter.

There is a lot to learn and a multitude of skills to be mastered. The good news is that you do not have to face this alone. There are plenty of organisations just waiting to help you. This chapter will give you an idea of what is available and where.

Top tip. Running your own business is the same as any other career: the more you know, the greater the chance of your success. Thankfully, there is plenty of help and guidance around, and much of it is free!

Business Support Organisations

There are a number of government funded and privately operated agencies who would love to help you on your way. To find the most appropriate or nearest contact, please refer to the your local section on SYOB (www.syob.net/areas.php).

Business Training Courses

There will almost certainly be regular events and training courses in the area to help increase your knowledge. Check the local press and online to see what is available and make the most of other people's expertise – 'become a business sponge'.

Adult Education Classes

Adult education is on the increase. In recent years, the number of students enrolled in further education increased by 37 percent. To find out what courses are available near you, ask your local schools and colleges for a prospectus.

Business Exhibitions/Seminars

If you can spare the time away from your business, attending relevant exhibitions is a very effective method of learning. In addition to the collection of stands (which may provide ideas, potential suppliers or customers) there are generally plenty of free seminars.

Networking

Networking allows you to meet other business owners, who may well have stories to tell that will help you develop your own enterprise. There is often the opportunity to for speakers to share their expertise. See our networking section for more hints and tips.

Online Support

The Internet has become an 'information gold mine' and there are hundreds of websites dedicated to helping new business start-ups. You will find online courses, self-help sites and many e-books dedicated to each aspect of starting a business.

Local Chamber Of Commerce

Make contact with your local chamber to see what they can offer to help. Their main purpose is to support local businesses and they often run events, seminars and courses.

Experienced Business People

One of the best sources of 'real world' advice is anyone who has set up and/or run a business themselves. Do you know anybody who fits this description? If not, you are likely to meet suitable individuals at networking events, your local Chamber of Commerce.

Alternatively, why not advertise for a mentor? Some retired business people may like the idea of undertaking this task and may do this on a reduced fee to start with or for a small share of the business.

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A common misconception is that a business plan is only needed if you need to borrow money from the bank.

Although it is true that all lenders will ask to see one, it is also probably the most powerful tool in your new business armory.

If compiled honestly and thoroughly, it can be the difference between success and failure.

Having said that, it need not be approached with dread.

The main components are extremely simple and are made up of common sense, some careful thought, and research. Above all, it is a great opportunity to review your business and to give YOU an idea of what you have to do to succeed.

If you've got an idea, it seems fool-proof, you can see an endless market to exploit, what can possibly go wrong? Sadly, the majority of new business start ups will fail within three years, with half of those failures inside the first six months.

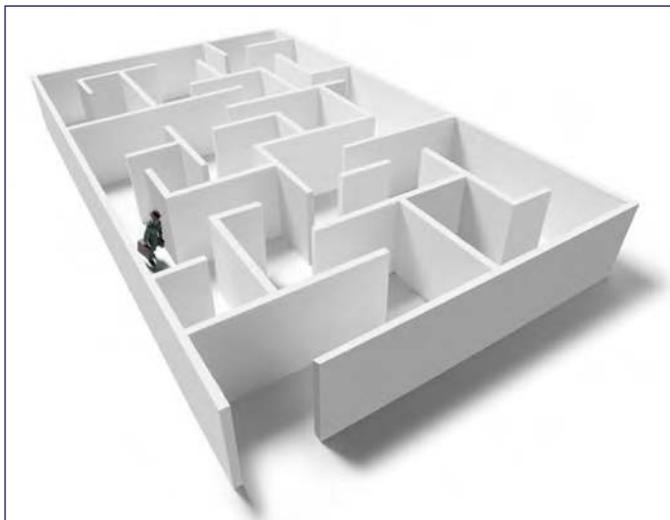
So what can you do to ensure that you have a better chance of success? Research shows that having a business plan is vital to the success of your company, yet so many small businesses start without one, so why write a business plan?

a. More companies stay in business.

Studies by organizations such as business link show that companies that are in business and generate higher than average profits mostly have a business plan that they follow.

b. You can understand what to do.

Not knowing why things go wrong, why customers don't buy or return, why your competitors are better or more respected than you is a recipe for disaster.



“Failing to plan is planning to fail”

c. Your plan will help you analyze your business

d. You can allocate resources better.

No company can do everything. You will need to prioritize the work required in the coming year. Choose no more than 7/8 key projects to work on and you will see the results.

e. You will understand your finances.

If you are always overdrawn at the bank or find it difficult to get

new finance then you'll need to forecast your sales and costs. But what are they? Work all of this out with your plan.

f. Everyone is aware of your plans.

You and your staff, bank manager and other interested parties all need to know the direction the company is going. This is important to pull everyone into the same direction and develop good teamwork.

Planning helps you understand your business. It can be frustrating when there are no customers about and you don't know why.

If you are looking at starting a new small business and need a bank loan then you'll want a fast and easy way to write a business plan that's going to get your finance approved at the first time of asking.

Compiling your business plan can be quite daunting but it shouldn't be an intimidating process a good business plan can focus the mind as well as assist in securing finance and support.

The best way to start is by asking yourself: “where do I want to be in 12, 18 and 24 months time”? From here you can begin to start questioning your approach to growing and developing your business idea. The next page contains a few pointers to help:

BUSINESS PLANNING**STEP-BY-STEP****PLANNING****FUNDING****SETTING UP****NETWORKING****MARKETING****RESOURCES****About your Business**

Q. What type of business is it and what are its goals and objectives?

Q. What is your product or service and how are you going to sell it?

Q. Who are your customers and why would they buy from you?

Q. How much will your products or services cost?

Q. What premises will you be using?

Q. Are they suitable?

Q. What are your staff requirements and costs?

Q. Who are your suppliers?

Q. What problems could arise with your supply chain?

Q. What type of business are you? (working by yourself, partnership, incorporated company)

Q. What legal processes do you need to go through? i.e. licensing, copyright, insurance, health and safety, food hygiene

Q. What are your plans for future growth and what effect will these have?

Q. What are the threats to your business and how have you planned to overcome these?

Market analysis

What is your market and where does your product or service fit in?

How big is the market and how much money is spent on products or services similar to yours in a year. Profile your clients in detail, covering what they like or dislike about your service

Who are your competitors and how are you different from them?

Give your projections in terms of number of customers, contracts obtained, etc.

Marketing strategy

Present your marketing strategy - how will you get the edge on the competition? Don't rely on just being cheaper. What makes you different from your competitors? What promotion tools will you use - Do you need to advertise? If so, how and where?

Management

Who will be running the business and how are they qualified? How will responsibilities be divided?

Financial

Where will the money to pay for the start up come from and how will it be spent?

Project the following: Cash flow with explanation (sales, expenses, profit); profit and loss forecast; breakeven analysis.

Your business start up is the beginning of a long journey for you, one which will provide you with excitement, independence, success, set backs and freedom from 'the boss'. Your Business Plan is your route map for this journey. Do it carefully and you will avoid unnecessary detours and costly errors. You will then be able to enjoy the fruits of your own hard work.

Writing your plan

So you want to write a business plan but are not sure how to get started. Hopefully, this list of resources will help point you in the right direction.

Business Support Agencies, Accountants and Bank Managers. These professional advisers will all tell you how important your business plan will become as your new venture takes shape. Thankfully, they also have the knowledge and experience to assist you with its compilation, and may well have a template that you can use.

Examples/Other People's Plans. Can you remember back to school days when you had to look at previous exam papers and answers to help you revise? Adopting a similar principle can also work with your plan. You will find a wide selection online. They should give you ideas for style and structure, but do not be tempted to copy their wording directly.



The Money

“The love of money is the root of all evil”, “money brings the worst in people”, “money makes the world go round” - and it is usually at the heart of any business success or failure.

Financing a new business can be a challenge, particularly in the current economic climate. However, without enough capital, a new business will shrivel and die very quickly. You should identify what will be needed for your business to start, and then to succeed. The next step is to ensure that you have enough money to support both you and your enterprise.

How much cash do you need to start?

A cash flow forecast is an essential tool at this stage. This will help you calculate your initial financial requirement as well as the money needed for the early days of trading. You will have to think about:

- Actual start up costs.
- Your own personal needs,
- The cost of running your business.

How much do you need to survive personally?

Sadly, the personal bills continue to come in after you start up a business and you need to make provision for these!

Very few businesses make much money in the first year. The list below will help you work out how much you and your family need to survive over the first 12 months. Calculate how much you are likely to require on a monthly basis.

Estimated expenditure

Mortgage/rent
 Property taxes
 Utilities (heat, light and water)
 All personal and property insurance
 Food
 General housekeeping
 Repairs
 Clothing
 Telephone
 Hire charges (TV, satellite, etc)
 Entertainment (meals, drink etc)
 Holiday
 Subscriptions to associations, clubs
 Publications
 Vehicle running expenses (incl. fuel)
 Vehicle service and maintenance
 Children's expenditure and presents
 Savings plans, pensions
 Loan repayments, debts, credit cards
 Any other

Expenditure in the year Sub total (a)

Estimated non businesses income
 Income earned by spouse or partner
 Other income

Total non business annual income Sub total (b)

The total survival income required in the year from your business can be calculated by deducting sub total (b) from sub total (a)

How much will you need to keep going through the early stages?

Once you have started, there will be ongoing costs that you will have to consider, these could be staff wages, purchasing more stock or paying for advertising.

Your Cash flow Forecast will give you an idea of how much income you can expect, but this may not be sufficient to cover all outgoings in the early stages. It is essential to work out what the difference could be in the worst-case scenario and build this cost into your financial planning. Most of the major banks websites also offer downloadable forms for this.

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Total start up costs

+

Amount required to see you through the early stages (including you own survival income)

-

How much money you have already

=

Total that you need to raise.

The more money that you can put in yourself, the better! Borrowing usually involves either the payment of interest or giving up a share of your business.

Will the bank help you?

Banks provide 90% of all new business finance and are keen to do so, but only if the proposition is a good one! Your business plan and cash flow forecast must be able to show that your venture is financially viable. They will also want to know that their money is in safe hands! Your personality, experience and the team around you will contribute to the final decision.

Other sources of funding.

There are numerous schemes to help start-ups and can be found via your local pages on our website (www.syob.co.uk). Areas that have been identified as 'deprived' often have dedicated funds for loans/grants.

Use your personal assets. Using personal equity, such as savings or remortgaging your house can give you the freedom to run your business your way. However, it's important to draw up a business plan, mapping out when you expect to see a return and what you can afford to lose.

Bring in partners. If you're a sole trader you could consider taking on partners to raise finance. You'll need to negotiate what share of the profits each person will receive. A written partnership agreement should be drawn up before any decisions are made.

Persuade trading partners to pay upfront. Larger organizations can sometimes be persuaded to pay upfront to fund a project or product you are developing if they need it for their own business.

Friends or relatives.

'Friends, Family and Fools' are a good potential source of investment because they know you and believe in your ability. They are more likely to back your business when others say no, but think carefully before borrowing money in this way. If the business fails, the repercussions can be harder to bear. Try and keep the transaction on a business level. Explain that there are no guarantees. Friends and family must understand the high-risk nature of the venture and that there is a strong chance they might not make as much as they anticipated, or might even lose their investments completely.

Government grants and awards

Some are operated on a nationwide basis, but with many grants eligibility depends on where your business is located. Grants are normally available for specific purposes, such as investing in equipment or for specific industries.

Business Angel

Is a particular type of informal investor, usually a successful entrepreneur, who is willing to invest in high-risk, high-growth firms at a very early stage, and adds value by supplying business advice.

Venture Capital

A source of money for start up companies, particularly for those with high growth potential. In return for their investment, the venture capitalists generally receive significant ownership of the company and seats on the board.

Leasing and hire purchase

If you need to raise cash to buy equipment, consider spreading your costs with leasing and hire purchase options. This allows you to use an asset over a fixed period, in return for regular payments.

Check out small ads

Local newspapers sometimes carry advertisements from people wishing to invest in companies. You could try advertising for funds in the same way. Always take professional legal advice before entering into any agreement.

Enter competitions

There are many competitions on offer to start ups - not only can you receive a cash prize, but the exposure you gain can bring you to the attention of a potential investor.

Where will your business be based?



Whether you plan to work from home, to rent or buy commercial premises, it is best to understand the advantages & disadvantages of each option. With the kind help of local property professionals, this section explains the legal and practical considerations.

Deciding where to run your business could be determined by the nature of your work, running a restaurant from home is probably not a good idea and a window cleaning business is unlikely to need swanky offices!

The various options open to you are covered in this section.

Work from home

Working from home is definitely the cheapest option, but not always the best! You will need to ensure that you can separate home and work life. Will you be able to motivate yourself and concentrate, or possibly even more tempting - avoid the temptation to work all the time.

Advantages: Cost, convenience, easy to set up, the kettle is close by!

Disadvantages: Domestic distractions, possibly lone working, holiday cover, the kettle is close by!

TOP TIP! CHECK TO MAKE SURE THAT YOUR LEASE/HOUSE DEEDS DO NOT PREVENT YOU FROM OPERATING FROM HOME. IF REQUIRED, OBTAIN PERMISSION FROM YOUR LANDLORD/BUILDING SOCIETY.

Office or workspace?

Starting in an office or workshop will involve higher set up costs than working from home but may be more appropriate particularly if you are planning to employ staff or if your customers come to you. There are also important Health & Safety Issues that you will need to be aware of if you are planning to work from any premises.

Lease

A lease is a contractual agreement to rent a property. But do you rent or buy? Your financial situation could decide this for you, but if you chose to lease/rent, think extremely carefully about the implications.

- 1) A famous quote states that the three most important considerations are LOCATION, LOCATION, LOCATION! However, the better the location the higher the rent!
- 2) Length of lease?
- 3) You may have to pay a substantial premium for a longer-term lease.
- 4) Who is responsible for repairs?
- 5) Take legal advice.

Purchase

If you are able to purchase your property, this could prove to be an attractive long-term proposition. You will be giving yourself security of tenure, possibly an asset that will rise in value, and any repayments will be reducing your loan rather than simply paying rent to somebody else. You will need to use a solicitor to conduct the purchase, but also take advice from Commercial Agents and definitely pay for a full structural survey!

License

With a license, the property owner is effectively saying "OK, you can occupy my property for a while, but I can interrupt at any time and ask you to leave." The advantage to the owner is obvious, but it can also be a flexible and inexpensive way for a new start to move into premises. Licenses are usually relatively short term.

SETTING UP



Home or away?

Working from home is constantly portrayed as some kind of ideal, promising us a commute-free existence, better work/life balance, reduced costs, higher productivity. After all, why go to work, when work can come to you?

Technology advances mean we can as easily run a successful business slumped on our sofa, clad in our PJs, as suited-up in a swanky office. Sounds perfect, but reality has a habit of messing with perfection. Both on a personal and professional level, being home alone isn't all it's cracked up to be, particularly for start-up firms without a big corporate comfort-blanket to support them. Not all home workers have the skills to prevent the work/life balance from tipping wildly in one direction.

Type A personalities will of course drive themselves whatever they do. But working from home will never give them the mental space to switch off - their home will permanently be contaminated by work. Those of a more attention-challenged disposition will fare equally badly.

Re-arranging the CD collection will take precedence over writing a business proposal; mornings will be lost to 'This Morning'. The failure of such procrastinators to 'switch on' rather than switch off from work means they live under a constant cloud of guilt. Even those grounded enough to be motivated but not obsessional about work may find that the demands by children, resentful partners or other distractions beyond their control will distract them.

There is an alternative that will keep you sane

without bankrupting your business before it's even off the ground. Renting a desk in a shared office offers the best of both worlds. You're still your own boss, but you'll have the business support services, such as Internet connection, a receptionist, meeting rooms and technical support, all available on site. You'll have total autonomy, but feel like you are part of a community. Working from home suits some people, but for anyone who doesn't want to stay in pyjamas all day and who miss the office banter but not the office politics, a shared office could well be the answer.

How to make a home office work for you

If you decide to work from home, this does require discipline since it comes with its own set of distractions. Here are some tips on how to make a home office work for you:

- * Notify your mortgage lender/insurance company.
- * Consult an accountant regarding how this affects your tax situation.
- * Tell the neighbors as there might be more disruptions, depending on the type of business
- * If possible, create a separate 'work zone' away from any distractions. Don't allow disruptions by family members just because you are there. Adhere to working hours that suit you on a regular basis.
- * Get into work mode by dressing professionally and creating regular breaks.
- * Combat loneliness by organizing regular meetings with other home-based entrepreneurs or business clubs to communicate new ideas, catch up on news or simply for human interaction.
- * Rent office space on an ad hoc basis if you are concerned about presenting a professional face when holding meetings or receiving clients.
- * Establish clear boundaries such as not answering your business phone or catching up on paperwork during private time.
- * Most importantly, make sure your business does not take over your personal life. Your work-life balance must be actively protected.

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Making sure that the figures add up.

It goes without saying that HMRC will take a keen interest in your new venture. Legally, you are obliged to supply them with information that will determine how much tax that you will have to pay.

This section gives you a simple overview of the key points, but we strongly recommend that you take professional advice. If you are not an accountant yourself, it is probably wise to engage the services of someone who is and to get on with what you do best - make the money.

Keeping records

HMRC operates a series of penalties and surcharges to encourage businesses to meet their responsibilities in respect of tax. You may think it's obvious what the cheque for £100 is for today, but will you remember when your bookkeeper asks you in twelve months time?

It's commonly said that nobody likes paying tax, but it's a legal obligation to do so, and clearly it's a bad idea to add insult to injury by missing deadlines and incurring penalties and interest as well. Your professional adviser will be able to save you from problems in this respect.

Evidence of Transactions. One of the first steps to take is to open a bank account. Don't put it off - imagine how complicated it will get if your weekly shopping gets mixed up with business expenses. Your accountant will be able to do the job more efficiently and cheaper if you can give them bank and credit card statements that evidence all the financial transactions of the business.

Keeping the evidence. HMRC have powers to inspect these records up to six years after the end of any accounting period. Make sure you have a safe place to store your records. Be aware that there are penalties for failure to keep your records.

Cash. If you are dealing with cash, you will also need a cashbook or till that provides the money trail into the bank. For every transaction, you will need a piece of paper that proves the purchase or sale you have made. Right from the start, get a file with some dividers and put all your paperwork in date order as you get it. Separate things out - for instance, keep your sales invoices together in one section.

Cheques. Get into the habit of writing the details of checks banked onto the paying in stubs, and fill in your check stubs.

SETTING UP - ACCOUNTANCY

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Why use an accountant?

You may feel that you can keep your own financial records, and calculate your own tax liability. Wouldn't it be better however to concentrate on running your business?

Good records will help you to see how well you are doing, where your money is coming from and how you can make more.

Using a good accountant can help: making sure only tax that is actually due is paid and providing really good advice to help your business grow and flourish.

Any accountant can produce a set of accounts for you, but a good accountant will help you understand how your business has performed. You can compare results against what you had expected to achieve and make changes that will improve results next time around.

But your accounts can be used for other things too, and it is important that your accountant helps you get the most from them. For example, they can be used when you talk to your bank manager to raise some finance for expansion.

They can also be used to calculate how much you are eventually going to sell your business for. And, of course, good records will make sure you pay the right amount of tax.

You can use an accountant to do as much or as little as you want. For example, if your business is straightforward with easy, simple records, you may wish to calculate your own trading figures. You should follow some standard accounting principles and a good accountant will help you with these.

There are costs attached and this can be a worry, particularly when you are starting a business and the income has yet to flow.

It is important however to remember that a good accountant will help you save money by advising how to set up the most tax-efficient way of running your business. For example, would it be better to start as a partnership or limited company, rather than a sole trader?

It is very important that you feel comfortable with your accountant.

You should be able to trust so after you have met with them, ask yourself these questions:

Q. Did I feel that they understood my business and its needs?

Q. Are they easily accessible, and will they answer my questions quickly?

A good accountant will also help you set up efficient record keeping right from the word go. This is really important because if you get it wrong you could be fined. Having a good record-keeping system in place will additionally save you time and large accountancy bills in the future.

Q. Are they asking a price that I can afford?

Q. What experience and qualifications have they?

Q. Does their website give me more information about their firm?

Q. Can they give me guarantees for quality and service?

Q. Will they provide an estimate of when the work will be completed?

Q. Do I get on with them

Each one of these questions has to be answered positively. If not, then this accountant may not be the one for you.

Here is some practical advice for choosing a good accountant:

- Contact a couple of accountants that you have heard of through word of mouth, or seen advertised.

- Get an appointment with them. Before your meeting, decide what services you would like them to provide.

Once you have decided which accountant to use, make sure that you are both clear about what services you require and get written confirmation about what they will do for you.

Taking some time at the outset to choose the right accountant for you will reap rewards in the long run as you develop an invaluable and long-term business relationship!

Networking

Here are some hints and tips to help improve your business networking.

The idea of business networking can seem terrifying to some people. Yet it's vitally important to business these days, a great way to make contacts and increase business without a lot of cold calling.

Before you go to the meeting.

Just turning up at a networking meeting, hoping for it to result in new business won't work. Like anything you do to promote your business, you need to plan each event you go to.

Have an objective.

Why are you going to this meeting? Are you looking for new clients? Do you want to spend time with one of your clients? Some meetings provide a list of attendees. If you can get hold of this list, use it to identify the people you need to speak to at the meeting. Use it to set your objectives so that you can use your time wisely.

Your ideal client.

If meeting new clients is your objective for a meeting, you'll need a clear picture of who you want to work with, this will help you identify these people early on. Whenever you go networking, someone will ask, "What do you do?" If you have an answer prepared, you'll make a much better impression and get your message across clearly.

When you get to the meeting.

When you enter an informal networking meeting for the first time, get yourself a drink or some food, but not both, because you will need one hand free to shake hands! Get a list of the attendees before you talk to anyone. Look for the sort of people you want to talk to. Look for the sort of people you want to talk to.



Even if you only ask for a card, you have established rapport and have a genuine need to carry on talking

Business cards.

Don't aim to give your card to everyone in the room. Give it only to people with whom you have established good rapport

Give and take.

Networking should always be approached with a spirit of generosity. Think about what you can bring to a meeting - not just what you can get out of it. 'Pay it forward' and the reward will come full circle to you.

After the meeting.

Effective networking doesn't end when you leave the meeting. The final stage to getting the best from your efforts happens when you get back to the office.

Follow up.

When you leave a meeting, you should have a reason to contact some of the people you spoke to. Whatever you said you would do - make sure that you do it. Keeping in touch is the start to building trust with people you meet. When people trust you, they buy from you.

Making measurements.

One of the secrets to good marketing is finding out what works for your business, so that you can do more of it. Measure your efforts. Every few months, review your networking. Look at what is working and do more of it.

Keep it up.

There's no point in going to one meeting and then going back to the office and waiting for the phone to ring. Good marketing is about building up lasting relationships with the people you meet over time.

Keep going out there and meeting the people you need to your business thrive.

MARKETING



How to spread the word

As you will quickly discover, there are so many 'opportunities' to promote your business, you could easily spend every penny you earn on marketing and advertising.

So, how can you create the maximum impact without breaking the bank?

This section should give you a good over-view of your options which include Design; Print; Web Design; Online Marketing; Sales & Selling; and Networking.

Corporate image & design. As they say, "you don't get a second chance to make a first impression". For many of your clients, the first time they encounter your business will be via a letter, flyer or advertisement. It is vital to make sure that your printed message is as strong as if you were there in person. A great starting point is to think about branding your business. If you think only big corporate names need to think about their brand identity, think again. Your brand says a lot about you and your business, and that's as true for a one-person home-based business as it is for a multi national conglomerate.

Print

At the very least, you will have to consider ordering stationery (letterheads, business cards, and compliment slips) that portrays your business professionally. It may be tempting to print something off at home on your computer, which may save you a few pounds, but it could cost you much more in lost business. Once you have made the decision as to what you need to get started, you need a printer.

Here are some tips to ensure that you are able to find the right printer who is able to supply professional looking printed material at the right price.

a) Ensure your quotes are 'like-for-like'. The best idea is to get one quote, and then use that terminology to explain what you want to the other printers you would like to quote for you.

b) Don't just ask your 'local' printer. Don't just ask your 'local' printer. Every printer has different equipment and specialities. Make sure that you are using the right printer for the job.

c) Ask a trusted colleague if you aren't sure about which firm to choose. There are thousands of printers, and like any industry, some are awful and some are great. You will find that the most talked about printers in the town are the ones at either end of the scale! Ask a business colleague who they use, to sort the good, from the bad.

d) Check, check and check again. Print isn't an easy industry, so check details at every point you can. Make sure your artwork is up together and 'print-ready' to avoid extra charges, check the proofs thoroughly as strange things can happen, and make sure you check regularly with the print company to ensure delivery is on target!

TOP TIP: YOUR BUSINESS CARD HAS TO WORK AS YOUR SILENT SALESMAN, SO DO NOT BE TEMPTED TO SAVE A FEW QUID BY PRINTING THEM AT HOME. AN AMATEUR BUSINESS CARD IMPLIES THAT YOU RUN AN AMATEUR BUSINESS!

Website

Being one of the first places your potential clients will see your business it's certainly worth serious consideration. What do you really need on your website? What should you ask a web agency and which agency should you work with? How do you spot the hidden costs? Are you comparing like with like? These are just some of the questions that armed with the right answers will allow you to see through the many offerings available, avoid the pit falls and confidently take your company online.

DID YOU KNOW? GOOGLE HAS INDEXED OVER 1 TRILLION UNIQUE URLS AND MORE ARE BEING ADDED EVERY DAY.

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Advertising

As a new business you will be bombarded with opportunities to advertise in all manner of ways. When deciding where to spend your budget, try and judge how to reach your potential customers effectively and economically. Be very wary of 'special offers' and impressive circulation figures - it is better to reach one customer who will buy from you than 100,000 who don't!

QUOTE, UNQUOTE. "HALF OF ALL ADVERTISING IS WASTED. WE JUST DON'T KNOW WHICH HALF."

Direct Mail

Direct mail is a tried and true advertising medium. There are several advantages to direct mail:

- Direct mail is measurable. When customers walk through the door with your mailer in hand, you can easily measure response.
- Direct mail is inexpensive. When you are conducting a direct mail from a targeted list, this is a cost-effective use of your advertising pound. You are getting your message to those who are genuinely interested. Each direct mail campaign should get better than the last.
- Direct mail is targetable. Rather than sending a generic message out to the general population, direct mail targets your audience.
- Direct mail is timed and planned
- Direct mail is also the only advertising that can be guaranteed to reach its audience.

PR

Effective use of PR (public relations) and word of mouth can provide two of the strongest ways to get your business known. Sadly, your competition has probably realized this too. This means that you have to work extra hard to create a buzz, as only the most interesting stories will get you the free publicity that you crave.

PR isn't just for big companies using national newspapers or television. Even the smallest business can use publicity opportunities to catch the eye of its local audience.

- Make sure it is targeted and relevant
- Never send an attachment
- Offer to send a photograph
- Follow up with a call the same day
- Make sure it is timely to meet deadlines
- Keep ALL your contacts updated

Public relations are about building relationships, and if you bombard your local editor with too much irrelevant information, your email address will soon be filed automatically in the editor's delete bin.

Online Marketing

Internet marketing is relatively inexpensive. Companies can reach a wide audience for a small fraction of traditional advertising budgets. The nature of the medium allows consumers to research and purchase products and services at their own convenience. Therefore, businesses have the advantage of appealing to consumers in a medium that can bring results quickly.

Networking

Business networking is more than just a way of having a friendly chat over breakfast, it can also be an extremely effective way to draw in more clientele. For most small business owners, proper networking skills are necessary for their continued existence and success. Networking takes many forms. Whether a business owner is cold-calling their clients on the phone, or meeting other business owners in the area for breakfast or lunch, the networking never stops.

Customer Service

Finding new customers can be extremely expensive, so treat your current customers well and they will keep coming back to you.

Word of Mouth

Last and definitely not least. Word of mouth advertising is probably the cheapest and most effective marketing tool in your armory. A recommendation from a satisfied customer is far more persuasive than any paid advertisement. Harness this secret weapon by asking for referrals and positively encourage your happy clients to tell their friends.

MARKETING - GETTING ONLINE



Where to start for business on the web

With more and more trade being conducted on the world-wide-web, having a well designed, effective website has become an essential requirement for all businesses.

As with conventional design and print, it is not as simple as creating some pages on cheap software at home, uploading them to the web, and hoping that the world will come knocking on your door.

Why your business should be on the net

Whether your business is going to be small or large, at some point you need to consider investing in your own website. The Internet is one of the first places that your customers and potential customers are likely to look - and if you're not using it, how will you compete with those that are?

What can a GOOD website do for you?

Your website is open for business 24 hours. Let your website work for you, giving your customers what they want when they want it. It's busy increasing brand awareness and increasing sales while you sleep!

These days more and more people want to research businesses and products on-line and then buy in the traditional, offline way. If you're serious about promoting your business, then a good website is your virtual shop window.

Your website may be as simple as letting people know your phone number and opening hours - an electronic business card - or as complex as a searchable database of your products. If you're not online, you can bet your competition is. If you don't have a website, or your customers find your website difficult to use, they won't hesitate to click on to your competitor's site!

Cost effective advertising. Your website is an online advertisement, it's permanent but can be updated regularly, and can be much more cost-effective than press advertising if used properly.

Fast, easy, cheap communication with your customers. Why print & post out brochures when your customers can download them? Offer instant information and faster communication via your website and email - much cheaper and faster than fax or post.

Provide better customer service and value-added extras that put you above your competitors. You can offer articles, information, forums, newsletters - all of these things add to your customers' perceived value of your products or services and build better relationships.

A website gives you the chance to advertise your business, promote your services, attract new customers and relay information - why would you want to limit your potential?

Why use a professional web design agency? Like doing your own plumbing, it's more cost effective to employ a professional so you can concentrate on what you do best - running your business!

Your website should be clean, tidy and modern; it should portray a professional image and market your business well. It needs to meet accessibility guidelines whilst giving your customers a pleasant experience, encouraging feedback, increasing sales and increasing brand awareness.

Where to start for business on the web?

- Q. What do you really need on your website?
- Q. What should you ask a web agency
- Q. Which agency should you work with!
- Q. How do you spot the hidden costs?
- Q. Are you comparing like with like?

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What do you really need?

A website should be useful and add value to your business, give the right impression and make potential customers want to contact you. You need your site to be easily found by potential customers, simple to use and navigate and clear in content and contact information. If you're serious about making the right impression employ the professionals. Self made sites won't fill your customers with confidence about your approach to business.

Getting online step-by-step

Before you start – Research. Review your competitor's sites. What do you like? What do you dislike about them? What do you think is missing that your customers might need? Knowing your online competition is essential.

The right domain name.

If your exact business name has already been taken select something close and memorable. Avoid using dots and dashes in the name as these are easily forgotten. Ideally you should use .com for business in the US. All good web agencies will set this up for you and help you select the right name.

Business hosting.

Your site needs to be available 24/7; if a potential customer visits your site and it is not available it is unlikely they will return. Hosting can now be found at very low prices but consider if it really is a saving? Ask where your site will be hosted, if data is backed up and how the security and upkeep of your server is managed.

Email.

Once you have your company domain you can also set up your email. Again take note from the hosting section and pay for right support and security levels suitable for business.

Design.

There is a strategy behind all good web design, usability studies have clearly shown that using the right navigation, images and copy will retain your audience for longer so therefore more likely to purchase or contact you.

Your home page should allow your customers to instantly recognize your company, use your company branding i.e. logo and colors to form a template and style.

What do you really need on the site?

The more functionality you have the higher the cost. Start with the basics and add the rest later. If you get the site built right the first time you should easily add functions as you grow.

Content.

All web content should be written with both your audience and the search engines in mind. Your audience should always be priority, capture your audience with short bulleted statements that are quick and easy to read. Use of images should be limited so as not to clutter the page and increase the time your page takes to appear.

Prioritize your content.

Your homepage should have your contact details clearly shown, the services you offer and links to the other pages you would most like your audience to view. Your most lucrative offers should be the first to be seen! Professional copy can make a real difference to a site and assist your position in search results.

Support for the future.

How often will you need to change the content of your site? How important is your site to your business? Getting the right support and hosting are the ongoing costs you need to understand at the start. If you have content that will change often have the site built with a content management system, this will allow you to easily update your content without ongoing charges.

How do you know if it is working?

Review monthly statistics showing detailed information from how many people visited your site, the most popular pages to the best referrals.

SEO (Search Engine Optimisation)

Optimisation will help the search engines to rank your site appropriately. SEO work along with keywords in your content and linking between other websites will all contribute to improving your positioning on the search results pages.

Use it!

Don't have your website as an extra that nobody mentions. Use it on everything that a potential customer might see, be it your answer machine, letterhead, order form, business card or local advert.

SEO (Search engine optimisation) is the process of improving the volume of traffic to a site from search engines such as Google, Yahoo and Bing via unpaid search results. Fundamentally, the higher your site is ranking for a particular search term, the more traffic you'll get.

With so many sites now competing for visitors on the web, how do you get to the top of the search results?

Here are 10 SEO tips that should give you a better chance:

1. Content is king - Original fresh content in the shape of articles, how-to guides and even elaborate FAQs are the single most important factor for constantly ranking higher up the search engines. By posting high quality original content closely related to your keywords the search engines will associate your site with the search term and over time it will become an authority site.

2. Add Complete Metadata - Each page on your site must have relevant metadata based on the keywords you're trying to rank for. To optimise your site for Google, limit the page title (also known as window title) to 70 characters, the page description to 140 characters. Once you've added or updated the metadata, use a preview tool to ensure you haven't exceeded the number of characters and that it reads well.

3. Right Use of Images - Traffic from users searching for images (unlike the normal search which will fetch text) could benefit your site. To optimise your images for Google Image search, make sure you use a descriptive file name, images are hosted on your site on a folder and always use alt text to describe the image.

4. Consolidate Homepage Versions - When users search for a keyword for which your site ranks for they will often see your homepage first. The reason for this is again tied to your authority and because most other sites will link to your homepage, therefore you need to get it right.



5. Increase Backlink Count - One of the most important factors in ranking highly is the number of backlinks (other sites pointing to your site.). Work to increase this number by registering with niche directories, submitting articles, submitting your work to galleries etc as long as you keep it within the search engines guidelines.

Building your backlink profile takes times and even when you do get quality links, it might take some time before the engines take notice.

6. Make Your Site Linkable

- Sometimes in order to get users linking to the site, we need to push them in the right direction (gently of course).

By introducing a social bookmarking plug-in users could easily share and bookmark your site.

7. Ensure The Site Loads Quickly - Analyzing how quickly your site loads is not only important for SEO, but for user experience as well. When the search engines crawl your site the pages should load quickly because you are looking to get all the site's pages indexed. Google have publicly stated that this is now a significant consideration, particularly with the boom in mobile usage, where download size/speed is of utmost importance.

8. Find and Fix Broken Pages - If we said earlier that ensuring site pages load quickly is important for SEO then ensuring all the pages are working is even more important.

9. Add Full Contact Information - Adding full transparent contact information does not seem an SEO tip at first, but the search engines use this information to boost your credibility which in return will help your ranking.

10. Don't Give Up - There are no shortcuts when it comes to improving your ranking. Be persistent, work to generate quality content, follow up on the above tips and with time your ranking will improve.

By Ran Nir, online marketing manager of Inkjet Cartridges seller [Photo Paper Direct](#).

ONLINE MARKETING



Did You Know...

Google now processes over 40,000 search queries per SECOND

Most internet users have used search engines to find the information they are looking for

That's a huge market for your products & services that can't be ignored.

So what is online marketing & why do it?

Online marketing is the marketing of products & services on the internet. It covers many different activities, which include search engine optimization (SEO), pay per click advertising (or 'sponsored links' such as Google Adwords), email marketing, blogging and social media.

Online marketing ensures your website is found in online searches, across a wide variety of search media and it increases the traffic to your website. However, one of the most important things about online marketing is that it generates pre-qualified traffic. People have already made the decision to search for your products or services before they arrive at your website, since they are already actively searching on keywords relating to your products and services.

A highly visible website will enhance your company image online and raise the profile of your organization, and last but not least, all of your online marketing activities will generate leads, enquiries and sales.

What should I include in my online marketing activities?

i. Search Engine Optimization (SEO)

SEO will ensure your website is found in an online search on sites such as Google and Yahoo, for keywords relevant to the products and services that you sell. It's a long term strategy for your website, ensuring your web pages are 'optimized' for success in the search engines. The optimization process looks at several factors which include keyword research, the design & structure of a website, internal and external links and meta tags. It takes time for a website to rank in the search engines and search engines are now very fussy about giving sites high rankings unless they deserve it! Gaining high rankings is not easy and search is becoming more and more competitive.

ii. Pay per Click Advertising (PPC)

PPC is a great way to kick start your online marketing activities, particularly if you want quick results from the search engines and can't wait the months it can take to gain high rankings. Businesses pay for text ads to appear alongside search results on sites such as Google, Yahoo and MSN and every time someone clicks on one of the text ads, a fee is paid. How much you pay depends on how competitive the keywords are that you sponsor.

The most popular PPC providers are Google Adwords, Yahoo Search Marketing and Microsoft AdCenter. You can set your budget so that you don't overspend on clicks.

iii. Email Marketing

Email is a great way of keeping in touch with your customers and prospects, and much, much cheaper than sending out printed newsletters. Emails can be used in all sorts of ways – to give tips and useful information, special offers & promotions and to keep your customers loyal to you. Make sure you build your list in house rather than buy in lists as most people view emails they haven't subscribed to as spam. A well-crafted email, sent on a regular basis ensures your prospects don't forget about you and makes it easier to cross sell and up sell products and services.

iv. Blogs

A blog (or web log) is a website that is updated regularly with news and articles, a bit like an online diary but much more than that. Blogs are a

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very popular way for businesses and organizations to add regular content to their website and also interact with visitors to their website as people can actually comment on the 'blog posts'. Comments can be moderated so you don't have to worry about unsuitable comments being put up.

There are lots of good reasons to start a blog:

- Search engine friendly – posts can be indexed and be found in searches quickly (a few days)

- Allow organizations to interact with their audience

- A very easy way of keeping a website up to date – posts can be put up quickly and easily without needing any technical expertise

- Visitors can subscribe to blog posts by email or by a 'feed'

- Responsibility of the blog can be split between a few members of staff, so one person doesn't have the worry of keeping it up to date themselves.

- Gives you the opportunity to put your view on something, particularly if your organization is in the news – good for PR

- Some blog platforms are free – so low cost to experiment with

- Like SEO will raise profile of your organization online, allows your organization to have a 'voice', good for publicity & PR.

Common blogging platforms include Blogger.com, Wordpress and Typepad.

v. Social Media

Social media is becoming increasingly popular and a great way for businesses to interact with their target market. As social sites explode in popularity, many businesses are seeing the benefits of finding the resource to be on them, gain fans, use social media for PR and find out what people really want from their products & services.

The most popular social media site is Facebook and My Space and Bebo are more popular with younger audiences. Twitter has really taken off in recent months too, and LinkedIn is popular with business professionals. All of these sites are free and allow businesses to further raise their profile online. But beware – social networking can be addictive!

Savvy Marketers (www.savvymarketers.co.uk)

POPULAR SOCIAL MEDIA SITES

Twitter (twitter.com)

Twitter is a free service which allows users to exchange short updates (up to 140 characters long), termed 'Tweets' in a way similar to SMS. Any Twitter user simply clicks a 'follow' button to receive another user's public messages in their Twitter feed (becoming a 'follower').

LinkedIn (linkedin.com)

LinkedIn is a contact network consisting of your connections. Get in the habit of connecting with all your business contacts. When you get a business card at an event, find the contact on LinkedIn and invite them to join your network.

Facebook (facebook.com)

Facebook Pages allow you to collect 'fans' the way celebrities, sports teams, musicians and politicians do. Facebook marketing is now one of the hottest trends among online entrepreneurs today.

Google+ (plus.google.com)

Google+ integrates social services such as Google Profiles and Google Buzz, Circles, Hangouts and Sparks. Google+ is available as a website and on mobile devices. It is Google's biggest attempt to rival Facebook which has over 800 million users.

YouTube (youtube.com)

More than 35 million searches each month for 'how to' videos. That's at least 35 million opportunities for businesses to reach people that may need their product or service.

USEFUL RESOURCES



You are not alone! There are plenty of resources designed to help new business start ups. Here are some of the best...

Advice & Support

National Enterprise Network

(Formerly National Federation of Enterprise Agencies)

nationalenterprisenetwork.org

NFEA is the national enterprise network. Members are drawn from local enterprise agencies and a wider range of enterprise support organisations and provide an array of services to new and emerging businesses, including independent and impartial advice, training and mentoring. Search facility allows you to for your nearest member. 01234 831623

HMRC

www.hmrc.gov.uk

HM Revenue & Customs (HMRC) was formed in 2005, following the merger of Inland Revenue and HM Customs and Excise Departments. They ensure the correct tax is paid at the right time and their website contains all the information that you need to ensure that you comply with the legal requirements.

Office of Fair Trading

www.oft.gov.uk

Understanding the laws that affect you is an important part of running a successful business.

This site gives a quick guide to the main rules covering how you sell, how you treat your customers, how you compete, and how you can protect your business from scams.

PRIME

www.primeinitiative.co.uk

The PRIME Initiative provides free information, events and training to help older people get back into work by starting their own business - also known as 'becoming self-employed'.

The charity's activities are needed because the over-50s face huge problems of unemployment and age discrimination in the conventional job market.

0800 783 1904

School for Start Ups

www.schoolforstartups.co.uk

The inspiration of serial entrepreneur and angel investor Doug Richard, School for Startups is the UK's leading provider of business training for entrepreneurs. They provide expert tuition on the critical

issues entrepreneurs need to understand, including how to start a business, finance and investment, product management, managing successful teams and entrepreneurial marketing.

Funding & Finance

bvca

www.bvca.co.uk

The BVCA is the industry body and public policy advocate for the private equity and venture capital industry in the UK. Our members come from venture capital, through mid-market, to private equity/large buy-out houses from all over Britain.

020 7420 1800

Fredericks Foundation

www.fredericksfoundation.org

Fredericks Foundation is a charity that helps disadvantaged people to

Olderpreneur Loan Scheme

www.primebusinessclub.com

PRIME has teamed up with Zopa Ltd and Bank of America to create a peer-to-peer loan scheme to help people aged 50+ to raise the capital to start a business. The scheme is designed for people over 50 who are finding it difficult to raise money directly from a bank. It allows someone to borrow anything from £1,000 up to £15,000 - as long as they have a strong, viable business plan and a clean credit history.

0208 765 7475

Clubs/Societies

FSB

www.fsb.org.uk

The Federation of Small Businesses is the largest

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campaigning pressure group promoting and protecting the interests of the selfemployed and owners of small firms. Formed in 1974, it now has over 200,000+ members across 33 regions and 230 branches. If you would like to find out more about being involved with the activities of the committee to support local businesses or you would like to attend a branch meeting just to find out what goes on visit the website at www.fsb.co.uk

Telegraph Business Club

www.telegraphbusinessclub.co.uk

The Telegraph Business Club is run by the Daily Telegraph newspaper and has one simple aim: to help dynamic entrepreneurs and ambitious business professionals to become more successful. Weekly e-newsletter contains case studies and business information.

Co-Operatives

Co-operative Assistance Network (CAN) Ltd

www.can.coop

C.A.N. aims to be a good example of a worker co-operative and to assist in the development of co-operatives.

Exhibitions

Business Start Up

www.bstartup.com

The UK 's only show designed specifically to help people with an idea for a business, in the early stages starting a business or determined to grow your small business. A FREE huge exhibition, a seminar programme, one-to-one advice, informal and formal networking.

Franchises

British Franchise Association

www.thebfa.org

The association is the self regulatory body of the industry. The BFA was set up in 1977 by some of the major franchise companies to act in the interests of the industry as a whole and to promote ethical standards within franchising. The Association demands that all members meet it's standards and that the franchise is set up and operates in an ethical manner.

Publications

Better Business

www.better-business.co.uk

Recognised as a leading small business magazine. Readers include people running businesses and those planning to start up. Available by subscription only and is not available on news stands.

Daltons Weekly

www.daltonsbusiness.com

Printed version available from newsagents and is packed with business opportunities. The website is the UK's largest database of businesses for sale with over 25,000 businesses listed.

The Franchise Magazine

www.thefranchisemagazine.net

The UK's best selling franchise title and is published 8 times a year. Each edition contains more than 150 pages.

New Business Magazine

www.newbusiness.co.uk

NewBusiness Magazine offers business advice and the latest business news for small to medium size businesses and entrepreneurs. Subscribe online or register to receive their newsletter.

Start Your Own Business

www.syob.net

We started this site in 2005 the genuine hope that we could help anyone thinking of setting up on their own. As you can see there is a wide range of help available - but how would you know that it all exists without having to undertake lots of research? We sincerely hope that you find both this guide and our website useful and wish you the very best of luck with your business.

Start Your Business

www.sybmagazine.com

Start Your Business Magazine is a monthly glossy publication that aims to help businesses start-up, grow and flourish in every aspect. Distributed through enterprise agencies and the news trade, but you can save up to 30% if you subscribe from their website.

What Franchise?

www.whatfranchisemagazine.co.uk

Is packed with independent advice and up-to-the-minute information on the nuts and bolts of buying a franchise, while authoritative editorials.

Websites

All Business

www.allbusiness.com

A New Business

www.anewbusiness.co.uk

Free online search tool for business names, trade marks, domain names.

USEFUL RESOURCES

Business Link

www.businesslink.gov.uk

Businessballs

www.businessballs.com

Free material & ideas

Business Bricks

www.businessbricks.co.uk

Small Business Newsletter

Citizen's Advice Bureau

www.adviceguide.org.uk

Chambers of Commerce

www.britishchambers.org.uk

Companies House

www.companieshouse.gov.uk

Confederation of British Industry

www.cbi.org.uk

Forum of Private Business

www.fpb.co.uk

First Voice

www.firstvoice.co.uk

"Business Network" magazine

Health & Safety Executive

www.hse.gov.uk

Home of H&S Executive.
Free leaflets available

Homeworking

www.homeworking.com

Running a business from home.

My Business

www.mybusiness.co.uk

National Enterprise Network

nationalenterprisenetwork.org

Nomis Web

www.nomisweb.co.uk

Government statistics

Office of Fair Trading

www.offt.gov.uk

Prince's Trust

www.princes-trust.org.uk

Small Business

www.smallbusiness.co.uk

Intellectual Property Office

www.ipo.gov.uk

Copyright, Designs, Patents and Trade Marks in the UK

Learndirect

www.learndirect.co.uk

Hundreds of online courses.

Institute of Directors

www.iod.com

From free business information and advice. The IoD provides support in all areas of professional life

Up My Street

www.upmystreet.com

Info by postcode area

Young Enterprise

www.young-enterprise.org.uk

Start Up Portals**Biz Help 24**

www.bizhelp24.com

Byte Start

www.bytestart.co.uk

New Business

www.newbusiness.co.uk

Now lets get started

www.nowletsgetstarted.co.uk

Real Business

www.realbusiness.co.uk

Small Business

www.smallbusiness.co.uk

Start in Business

www.startinbusiness.co.uk

Start Ups

www.startups.co.uk

Start Your Own Business

www.syob.co.uk

Women in Business**Prowess**

www.prowess.org.uk

Prowess is the UK association of organisations and individuals who support the growth of women's business ownership. Their work encompasses raising awareness, sharing of best practice, advocacy and information. Prowess has over 300 members who support 100,000 women each year to start 10,000 new businesses which contribute an additional £1.5 billion to the economy.
01603 762355

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