

You first



Lloyds TSB
Business



Getting started in business

Your guide

Starting up



Starting your own small business is one of the most exciting challenges you can embark on, and it requires a very different character and approach to working for someone else, particularly in a large organisation.

So who better to write about it than someone who has lived and breathed her own small publishing venture for nearly fifteen years? Sophie Chalmers is managing director of Active Information Ltd which publishes *Better Business* magazine and other newsletters. In 2000, she was named Welsh Small Business Woman of the Year and in 2001, her company won a ParcelForce Worldwide Small Business Award.

The aim of 'Getting started' is to give a feel for what's involved to those wanting to start a business. In this brief guide, we cannot say everything, or cover in sufficient detail areas where you might need specialist advice from tax or legal experts, but there are plenty of references to further sources of help and information. At the end of each chapter we include a section to highlight where Lloyds TSB can help you further – for example, through our range of business guides or possibly a product or service that may be appropriate.

We hope this guide will help and inspire you to take the first steps on an exciting and successful journey.

Chapter one

Are you ready to start your own business?

Starting a business is to fulfil a dream for some people, and just the next step for others. Whichever it is for you, there are several issues to look at:

- how suited are you?
- what is the right business for you?
- how to make an idea come to life
- what to do next.

How suited are you to running your own business?

People who start businesses have many different skills, experiences and resources. One thing they usually have in common is that they are highly motivated people who want to be in charge of their own destiny.

Ultimately, though, your success will depend on *you*. So before you start, it is worth focusing on you, your skills, your strengths, and, yes, your weaknesses. This way you can maximise your advantages and find ways round your limitations.

Do you have what it takes to start and run a successful business? Rate yourself against the characteristics overleaf and be as objective as you can.

The sweet taste of success



Do you fondly remember the thrill of running to the sweet shop to spend your pocket money on a bag of goodies?

It was that feeling of nostalgia that inspired Michael Parker with an idea for a webstore called 'A Quarter Of'. 'I just thought it was an idea with legs,' he says. When he visited a local wholesaler and saw sweets he'd forgotten existed, his mind was made up. 'I saw them and thought, "So where do they sell them?" and the idea just spiralled.'

Michael decided to sell his sweets over the Internet and he kept his exposure low by starting out small. 'If it turned out not to be such a good idea, I'd only have spent a couple of thousand pounds and it wouldn't have been the end of the world.'

In fact, his starting up cost was £2,500, including initial stock and his website design. And within two months his hunch proved correct – A Quarter Of was in profit. On his record day in that first year in business, he sent out one and a quarter tonnes of sweets. He hopes his online shop will become the Amazon for sweets.

www.AQuarterOf.co.uk

The people around you

The first few months of any business are rarely easy but it is easier if you have the full backing of those around you. How does your family feel about you starting a business? Do they understand and accept what it will mean to them?

What to do next

In this chapter you have looked at your strengths, weaknesses, skills and experiences, and you have taken the first steps to outline your 'big' idea.

The next step is to put some flesh on the outline. To make this easier, look through the rest of this guide and try out the exercises.

These will help you focus your ideas on:

- understanding your marketplace
- planning your success
- pricing, packaging and delivering your product or service
- finding customers
- where is it best to work from?
- sole trader, partnership or limited company – what's right for you?
- finding money for your business
- managing your money
- protecting yourself from risk
- employing people.

Pamper your way to success



Amanda Strowbridge knew from 11 that she wanted to become a beauty therapist. Yet the idea for her own business came nearly 20 years later. She was doing

beauty sessions for weddings and was often asked: 'What can we do for a hen night?'

'The pampering element always came up,' says Amanda, 'but the only choice was to go to a health farm.' Her light-bulb moment then occurred: 'Why not bring the whole pampering thing to the bride's house?'

She tested her idea by distributing leaflets at local wedding fairs and the reaction was very positive. So she set about ironing out the creases of her idea, and then launched Heaven At Home in 2002.

Three years later, Amanda went on to launch a range of beauty products, such as 'Melt Me – a palatial facial in a pot'. Today she is running her own beauty pampering service for women, with an A-list clientele.

www.heavenathome.net

Chapter three

Planning your success

If you want to go to Manchester, it helps to know where you are starting from and how you plan to get there. With that information, you can look at a map and decide, for instance, what types of roads you prefer to take there (motorways or B roads). On the other hand, you might prefer to fly, though some people would find walking there more of an adventure.

What's more, knowing clearly why and how you want to get there, you will also be able to deal with obstacles along the way, such as road works, which require a slight adjustment to your plan.

We plan all the time, quite naturally and usually in our heads, whether it's to take a holiday, move house, or simply get supper on the table. However, when it comes to planning your business, for some reason people grind to a halt because it all seems so difficult.

Planning is probably the single most important factor in determining how successful your business will be. This guide will show you that, for most businesses, planning can be as easy as planning your holiday.



Looking under stones

The obvious place to work from may be your home, and we look at some of the issues around this later in the chapter.

However, if you need regular premises, and you know what you want, start looking around for likely venues. Local councils often offer subsidised premises to start-ups. Also talk to commercial property agents.

Try walking or driving around to see what's empty or available. You may well find what you want by offering to sub-let a part of a suitable big building.

Test the reality

When you have drawn up a short-list of possibilities, have a look in some detail at the realities and practicalities. For example, do enough likely customers pass by? Does all the parking get taken early? Is there room to expand? What is access like for disabled people?

There is no substitute for sitting outside your chosen site at various times of the day and week to see what really goes on. Whatever you do, don't fall into the trap of seeing an amazing property and adjusting your business plan to fit it – it could become a millstone around your neck.

Irrespective of whether you're buying or renting the property, it may also be worth getting in a surveyor to check that the building is as structurally sound as you think it is.

Better business



Sophie Chalmers' business was born over a cup of coffee in the early 1990's when a self-employed friend was moaning about not knowing how to find customers or get them to pay their bills on time.

Sophie realised that she faced many similar questions as a freelance typist, and so, presumably, did many other small businesses. 'I thought, if I could find the answers to these questions and publish them in a magazine, there must be a market,' she says. So she set up Better Business magazine to offer the kind of advice she needed to run her own business successfully.

When she started, though, she didn't have two pennies to rub together, so she decided to set up from her London home. This worked well until it came to conducting client meetings at the family home. Increasingly she found that her young child could be a big distraction not only to herself but often to the client as well. At this point, Sophie realised that she could continue to work from home but only if she was really professional about it. So she hired a school leaver to look after her baby for a few hours a day, and met clients in hotel coffee bars. As more children arrived, the family moved to rural Wales. By now, email, the Internet and mobile phones had transformed the nature of 'working from home' to 'working from anywhere'.

'Location doesn't matter at all for some businesses now,' says Sophie. 'What matters is being really professional in how you present yourself.' As proof, in 2000, she went on to win the Welsh Woman of the Year Award in the small business category. To this day, she still works from home.

www.better-business.co.uk