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SELF-EMPLOYMENT THE STARK REALITY

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THIS IS A DOCUMENT STYLE EXAMPLE It is not intended as a working document, but we appreciate that there may be information within this example that interests those considering self-employment. In which case, we have tried to ensure information is current and accurate, but in no way exhaustive. If you do use this document, you should thoroughly research information, using Website links provided to gain the latest up-to-date information, and / or alternative solutions that best suit your needs.

This module is designed to help you discover whether self-employment is really for you. It is a big step, so we want to make sure you understand all the implications and the **STARK REALITY** of what being your own boss means and entails.

You may already have a comprehensive business plan or perhaps you have just an idea for a business utilising either your work skills or perhaps even a hobby or a pastime, all of which are just as likely to succeed.

During this module you will have an opportunity to think about the likelihood of success, the competition, start-up costs and who is out there to help you.

At the end of this module you will be aware of what lies ahead, and you should discuss your plans further with your **CAREER ADVISER**, who will give you practical advice and steer you in the direction of organisations that are there to help you succeed.

PLEASE NOTE – we are not sponsored by or endorsing / recommending organisations cited in this document. We offer these websites as a starting point for you to research and investigate the best Options for you and your business.

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1. WHY DO PEOPLE GO SELF-EMPLOYED?

In this section we will look at the reasons for going self-employed and look at the advantages and disadvantages in each case. Generally, there are five reasons why someone would consider self-employment, and these are;

- A good business idea,
- A tried tested business formula,
- An opportunity in partnership or a business buyout,
- Change in personal circumstances, redundancy or family circumstances, or
- It is time to take control of their life.

1.1. A GOOD BUSINESS IDEA

What is a good business idea? If you're lucky, you will have invented something that everyone will want or need. It could be a product or a service that homes and businesses will not want to be without, or it could be you have found the solution to an everyday problem (i.e. Road works & traffic cones etc).

Unfortunately, we are not all inventors and so there has to be a more realistic reason for a good business idea and these are;

- Utilising hobbies or interests,
- Utilising your current or past work skills, or
- An obvious Gap in the market.

1.2. WHAT DO YOU HOPE TO ACHIEVE?

Before starting a business, you should have a clear understanding of what you hope to achieve. There are many reasons, from monetary gain, improving your status in society or perhaps creating a comfortable working environment. In some instances, it may be achieving both personal and business objectives.

1.3. NOW YOU HAVE TO ASK YOURSELF

- Have you got the relevant skills, experience and expertise?
- Is there a market?
- How big is the market and can you reach it?
- Have you got competitors and who are they?
- Is your idea unique enough to give you the edge over the products or services provided by competitors?
- Have you got the funds for start-up, if not can you get them?
- Worst-case scenario – what can go wrong?

2. TRIED AND TESTED BUSINESS FORMULA

2.1. BUYING AN ESTABLISHED BUSINESS

Some self-starters often decide to purchase an existing business or buying rights to a franchise purely because this form of self-employment can carry fewer risks than going it alone.

Buying an established business may be a lot less work than starting from scratch, but you will still need to put some time and effort into deciding 'what business', would be right for you?

If you get it right, there are many good reasons why buying an established business makes good sense but remember you will be inheriting the previous owner's business, therefore you will need to be aware of every aspect of that business.

There are many **ADVANTAGES** to this method of starting your own business;

- It is usually easier to get finance,
- There will already be a proven market for either the product or the service,
- There will already be a proven business plan and marketing strategy,
- Whether buying an existing business or a franchise you will have on-hand experience to draw on if you are purchasing a business with employees or in the case of a franchise the franchisor will be there to support you initially, and
- Many of the start-up problems will have been eradicated.

There are **DISADVANTAGES** too;

- You often need large amounts of money upfront in particular you need to budget for expensive solicitor fees, surveyors and accountants,
- Like all new business owners, you will probably want to change things – this costs money,
- You will have to honour or negotiate the previous owners, contracts with suppliers etc.,
- Do you know why the owner is selling the business in the first place? Make sure you employ an accountant to go through the accounts very carefully. Don't accept anything as true, thoroughly check all the factors like customer loyalty and stock & equipment value etc., and
- Are you taking on existing staff?
 - ◊ Perhaps they were not happy with the old boss?
 - ◊ They might not like having a new boss?
 - ◊ The business may have been run very badly and morale may be very low?

2.2. FRANCHISING

Buying a franchise is for someone who doesn't have a clearly defined business idea but wants to run a business and prefers the security provided by a proven business concept.

Choosing the right franchise is a step in the right direction. You do not have to start a business from scratch, and you use a proven business idea. Normally, you will trade under the brand name (i.e. Snap-On) of the company you bought the franchise from. It is in the interest of reputable franchisor to ensure you succeed therefore you will have the advantage of help and support.

2.3. PARTNERSHIP OR A BUSINESS BUYOUT

Perhaps you are fortunate and been offered the opportunity to take-over the family business or your current employer has decided to retire, and you have first refusal on an employee buyout.

Both potentially great opportunities but you will still need a great deal of commitment and like buying any '*established business*' you will need to some careful assessments with the cooperation of a good account to ensure the business is really viable. You may have worked with your boss for many years and trust him/her explicitly, but don't accept this opportunity on face value alone.

The **ADVANTAGES** to a buyout or taking over the family business

- The business plan is established and a proven market research in place,
- Regular established customer base,
- A known income,
- A reputation to capitalise and build on,
- You will know the current suppliers and contacts,
- You should have the expertise in the product or service, and
- Understand the business you are taking on.

The **DISADVANTAGES** maybe

- You may take on someone else's business problems. Investigate thoroughly to establish whether there are business problems and more importantly, can you resolve them?
- If you do take-over your employer's business will you lose your current support services?
- You will no longer be the employee, but the employer and your responsibilities will include everything else as well, accounting, staff management, payrolls etc.

3. CHANGE IN PERSONAL CIRCUMSTANCES

Something that drastically changes your life can be the driving force towards starting your own business. Perhaps a dramatic personal event impels you to into action or the current job situation makes you think it is time to move-on and go it alone. These changes might be:

- You have been unemployed for a long period,
- You are faced with or have been made redundant,
- A change in family circumstances, or
- You may have inherited some money.

3.1. ADVANTAGES

- With a change in circumstances this is the ideal time to 'Define your future Objectives' and if self-employment or starting a business has always been something you have considered, now is the ideal time to do it,
- If you are made redundant hopefully there will be a redundancy payment, which would help as an investment into a business, and
- Being your own boss, you can work around other family commitments.

3.2. DISADVANTAGES

- With a change in circumstances often there is emotional stress and perhaps this is not the best time for thinking logically about a start-up business,
- Were you to use any redundancy payments as an investment in your new business, it is highly unlikely you will have a quick return on any investment, *and*,
- Although one of your objectives maybe to work flexible hours to suit you, in the early stages of starting your business you will have to dedicate a great many hours to make it a success, therefore other commitments particularly in your personal life may have to be put on hold.

4. TIME TO TAKE CONTROL

Independence is one of the deciding factors for many people starting up their own business. Being your own boss and have the chance to create the lifestyle you want.

4.1. ADVANTAGES

- Starting your own business offers independence and flexibility,
- You decide what hours you want to work,
- The success or failure of your business will be in your hands,
- If you have chosen wisely and your business plan goes to plan the rewards both financially and in lifestyle can be unimaginable, and
- Training, you can decide what training you need and when to meet the needs of your business.

4.2. DISADVANTAGES

- Although you can choose your hours of work, in all probability you will work longer hours, particularly in the beginning,
- Whether or not your business is run from home you will find both your family and business life merge into one, putting extra demands on your family and yourself,
- Stress is obvious at the on-set however if the business doesn't become an overnight success stress can become a major factor,
- The loss of company perks, Holiday pay, sick leave, medical insurance and Pensions schemes will be non-existent, and
- Cash flow, when starting a business, it is common to have financial problems.

5. HAVE YOU GOT WHAT IT TAKES?

Analysis of what makes a successful businessperson has discovered that the following qualities appear top of the list in every instance, so ask yourself 'have I got what it takes?'

5.1. SELF-STARTER

- Can you work independently?
- Are you able to take the initiative?
- Can you develop your ideas?

5.2. COMMITMENT

- Personal Sacrifice?
- Long hours?
- Personal life on hold?

5.3. PERSEVERANCE

- Can you handle challenges, expected and unexpected?
- Can you accept setbacks and yet still carry on?
- There is likely to be a period of financial instability?
- The 'Risk' of self-employment?

5.4. SELF-CONFIDENCE

- Do you believe in yourself?
- Can your enthusiasm win people over with your ideas?
- Do you believe in your product or service?

5.5. SELF-DETERMINATION

- Your future success is down to your actions?
- Factors outside of your business will not influence that success?
- Other people's actions will not affect that success either?

5.6. JUDGEMENT

- Thinking of your business objectives, can you listen to advice from other people and remain totally open-minded?

6. WHAT MAKES A SUCCESSFUL BUSINESS PERSON?

The same analysis of the skills that make a successful business person revealed the following as top of the list.

6.1. BUSINESS PLANNING

- Preparing your business plan will give you a good idea of where your weaknesses may lie, and you should have a plan in place on how to overcome them.

6.2. FINANCIAL MANAGEMENT

- Credit Management,
- Cash flow planning, and
- Good relationships with your Bank Manager and Accountant.

6.3. PRODUCT DEVELOPMENT

- Have long term plans for product development,
- Identified the people to be involved in production,
- Know the materials and processes that are required,
- Know who your competitors are and what they may be developing, and
- Understand your customer needs.

6.4. MARKETING SKILLS

- Managing different aspects of the business includes a solid marketing approach,
- Analysing the market and co-ordinating your Sales & Marketing team, and
- Knowing where your market is and targeting that area.

6.5. PEOPLE MANAGEMENT

- Staff motivation – ideally, they should be as enthusiastic for success as yourself,
- Recruitment of staff,
- Training, and
- Good people management leads to a team that works together.

6.6. GOOD CUSTOMER & SUPPLIER RELATIONSHIPS

- Identify the suppliers that will meet your requirements, build and maintain a good working relationship, and
- Get to know your customers, learn their quirks there likes and dislikes and more importantly remember them. Every customer should feel they are a special to your business.

Hopefully, now we have been through the qualities & skills needed to be a successful business person, you have scored a 100%, giving you greater confidence?

7. UNEMPLOYED AND STARTING A BUSINESS

If you are registered with the Department of Works and Pension at your local Job Centre Plus and receiving 'JOBSEEKERS ALLOWANCE' and you are considering starting your own business, ask your Job Centre Plus about the 'NEW ENTERPRISE ALLOWANCE' or visit their website at <https://www.gov.uk/government/collections/new-enterprise-allowance-campaign>. You may be able to get the New Enterprise Allowance to help you;

- start your own business
- develop your business, if you're already self-employed

Talk to your [JOBCENTRE PLUS](#) work coach. They'll check your business idea and help you if you're eligible. For more information See <https://www.gov.uk/moving-from-benefits-to-work/starting-your-own-business>.

You should also ask your local Job Centre Plus information on the following:

What benefits you may be receiving if you start your own business. **WORKING TAX CREDITS** – these are top up payments for people on low incomes by topping up earnings. There are also extra amounts for working households in which someone has a disability. It is available to employees and self-employed people and includes support for the cost of qualifying childcare.

You can find out more information related to these topic and other self-employment questions by visiting the Gov.UK website <https://www.gov.uk/business-support-helpline> and <https://www.gov.uk/apply-start-up-loan>

Just because you are on benefits, don't get put off from investigating the possibility of starting your own business, there is a plethora of schemes and information you can tap into for help and advice.

See APPENDIX A **USEFUL CONTACTS & INFORMATION** for more information.

8. HELP FOR PEOPLE UNDER THE AGE OF 30

There are many organisations that offer help and support, including grants for 'Starting Your Own Business', below are a few examples;

8.1. SHELL LIVEWIRE

The **SHELL LIVEWIRE** programme supports innovative young entrepreneurs (16-30) in the UK with ideas that meet the energy and resource needs of a fast-growing population.

For more information See – APPENDIX A – USEFUL CONTACTS & INFORMATION - [SHELL LIVEWIRE PAGE A-3](#).

8.2. THE PRINCE'S TRUST

If you are aged 18-30, unemployed, have an idea for a business but can't raise all the cash you need from anywhere else? The Prince's Trust may help you get up and running.

- A low interest loan of up to £5,000,
- Small Start-Up Business Grants (in special circumstances),
- On-going business support with specialist advice, including a free Legal Helpline,
- Up to 2 Years, one-to-one support from **YOUR BUSINESS MENTOR**. For more information See APPENDIX A – USEFUL CONTACTS & INFORMATION - [BUSINESS MENTORS PAGE A-6](#).
- Wide range of products and services, free or at discounted prices.

9. ARE YOU SURE?

Whatever your reasons for wanting to start your own business it can be a tremendously exciting experience and it can be very rewarding not only for your self-esteem but also financially. Have no illusions to be a success requires total commitment and you will face challenges some expected others may be totally unexpected.

The Cliché 'behind every good man is a good woman' is never truer in this case though perhaps it should read '**BEHIND EVERY ENTREPRENEUR IS A GOOD PARTNER**'. If you have a partner and they are willing to commit themselves to your venture and match your drive and perseverance you will have a good foundation for future success.

Setting your business up will put demands on you both physically and emotionally. During the early stages of your business it will require long hours and personal sacrifice, for you and your family.

Hopefully you will have discussed at great lengths with your family the implications of starting your own business, it is vital to your success you have their total backing and emotional support. In-all-probability, they will see less of you in the early stages than they did when you worked for someone else. Financially, this is an uncertain time and it may be necessary to forgo some luxuries, like holidays.

There are three **ACTIVITIES** on the preceding pages for you to conduct a financial and personal analysis of self-employment, which we would suggest you complete at some future time for a self-appraisal.

10. ACTIVITY

- ❑ It is a known fact that the first year of self-employment is the hardest, obviously because of the lack of ready money.
- ❑ Before you venture into self-employment it is wise to analyse what you financially need to survive for a year and what will be the anticipate business income.
- ❑ In the following two tables estimate your income and expenditure for the next 12 Months.

10.1. INCOME ANALYSIS

INCOME	ITEM	£'s
PERSONAL INCOME	Annuities	
	Savings Interest	
	Pension	
FAMILY INCOME	Wife	
	Children	
OTHER	Description	
OTHER	Description	
OTHER	Description	
OTHER	Description	
OTHER	Description	
TOTAL ANNUAL INCOME		

10.2. ANNUAL EXPENDITURE

EXPENDITURE	ITEM	£
CAR	Insurance	
	Maintenance	
	MOT	
	Petrol	
CHILDREN'S CLOTHING		
CHILDREN'S PRESENTS		
CLOTHING		
COUNCIL TAX		
ELECTRICITY		
ENTERTAINMENT		
FOOD		
GAS		
HIRE PURCHASE REPAYMENTS		
HOLIDAY		
INSURANCE	House	
	Mortgage	
	Personal	
LIVING COSTS		
RENTAL	TV / Video	
	Cable	
	Telephone	
SUBSCRIPTIONS	Associations	
	Magazines	
	Organisations	
OTHER	<i>Descriptions</i>	
OTHER	<i>Descriptions</i>	
OTHER	<i>Descriptions</i>	
OTHER	<i>Descriptions</i>	
OTHER	<i>Descriptions</i>	
OTHER	<i>Descriptions</i>	
TOTAL ANNUAL EXPENDITURE		

Now you should deduct **ANNUAL EXPENDITURE** from **ANNUAL INCOME**, hopefully you find your Income outweighs expenditure. If it doesn't, that does not mean you should now consider self-employment is no longer an option.

Financial backing can be secured from banks or investors, See Appendix A - **USEFUL CONTACTS & INFORMATION**.

11. ACTIVITY

11.1. OBJECTIVES

- Put down your objectives under the headings below, this list is by no means exhaustive and you should add any other personal objectives to your list.
- Once you have listed your objectives by starting your own business and becoming your own boss you need to analyse the results and think how realistic your objectives are.

MONEY	How much do you want to earn? By when, do you hope to achieve your target?
RISK	Do you like; To take a gamble? Low risk? Calculated risk?
WORKING HOURS	How many hours a day do you want to work? How many holidays do you want per year? How flexible do you want to be?
STRESS	Are you looking for less stress? Are you looking for more stress? Can you handle stress?
RELATIONSHIPS	Want to get-away from working with others? Prefer to work on your own? Would relish the isolation?
TYPE OF WORK	Want to be able to do the work you like? Want to do what I am good at? Have the choice of which work I will leave for others? Feel that currently your skills are being wasted? Want to achieve your full potential?
INDEPENDENCE	No longer want to be told what to do? Do not want to explain your actions to your superiors? Know you can do better?
ACHIEVEMENTS	Want the satisfaction of making your business a success? You want to set your own high standards to achieve? Succeed where others may have failed?

POWER	<p>Gain a sense of power as your own boss?</p> <p>Enhance your reputation or status with the community?</p> <p>Do it better than anyone else?</p>
<i>OTHER OBJECTIVES</i>	
<i>OTHER OBJECTIVES</i>	
<i>OTHER OBJECTIVES</i>	
<i>OTHER OBJECTIVES</i>	
<i>OTHER OBJECTIVES</i>	

12. SOURCES OF HELP AND INFORMATION

The logical way to approach starting a business is to talk to a professional, there are many such organisations that offer free advice and support, such as [THE BRITISH CHAMBER OF COMMERCE \(BCC\)](#) or the [NATIONAL ENTERPRISE NETWORK \(NEN\)](#), information on these and many other such organisations can be found in [APPENDIX A - USEFUL CONTACTS & INFORMATION](#).

Another vital source of help is family, friends and colleagues, particularly if they are 'in-the-know' the business you are thinking about. As impartial listeners they may see pitfalls or advantages to your idea you have not foreseen or thought of capitalising on.

13. DEVELOP A BUSINESS PLAN

Like building a house, starting a business you need strong foundations, and in this instance, it is a Business Plan. Comprehensive research into whether there is a market for your product or service will help with you assess whether your idea is a good idea for a successful business.

Having a completely new idea or concept is often the ‘kick-start’ into starting a business or perhaps you have ‘identified a gap in the marketplace’ where you could provide a product or service currently not available or you may have an idea on how to improve on an existing product or service.

Think of all those, privately owned video rental shops that popped up in the 70’s when VHS became the vogue VCR (those entrepreneurs spotted a gap in the market). Then Blockbuster came along and improved the service by providing the latest releases earlier with a wider selection of films. When established Blockbuster refined their **BUSINESS PLAN** to include computer games rental, Video/DVD and computer game sales and then further refined their **BUSINESS PLAN** to include the sale of refreshments as if you were going to the cinema.

If your entrepreneurial urge is so strong and yet you do not have a product or service that you feel could make a successful business, it may be worthwhile investigating in ways to identify one. There are many organisations that will help you learn how to create a business idea starting with the Design Council, See www.designcouncil.org.uk.

For more information see APPENDIX A – USEFUL CONTACTS & INFORMATION - **BUSINESS PLANS PAGE A-5**.

13.1. YOU SHOULD ASK THESE QUESTIONS

Assessment of your business plan is vital to its success. Confident you will be able to build a profitable and viable business from your product or service. To establish this ask yourself these questions

- Will it create or satisfy a market need?
- Is the plan durable, will it survive current trends/fads?
- Can you identify people that will be interested in your product or service?
- Am I offering something unique or up market from the current providers?
- Is there competition and is it local, national or worldwide?
- Am I offering potential customers something that is safe?
- Are there regulations or legislation that I need to comply with regarding my product or service?

13.2. WHAT SHOULD YOU INCLUDE?

Your **BUSINESS PLAN** is your business Curriculum Vitae. It should have exact details of what the company is and how you intend to develop the business, the timescale you envisage to achieve your targets. There should be personal details about yourself what skills and experience you are bringing to the business and likewise, anyone else that will be playing a key role in the start-up and running of your business.

It is vital, that all these topics are covered in detail especially if you will be looking for financial investment from Banks etc. Financial Investment Institutes usually provide Business Plan templates on their websites, so if you are looking for Financial Investment it would seem logical to use the Business Plan template of the Financial Investment Bank you are intending to submit your Business Plan.

There are numerous websites that will give you good advice and templates for writing a Business Plan, for example <https://www.gov.uk/write-business-plan> and https://www.bplans.com/sample_business_plans.php. For More Information See APPENDIX A - **USEFUL CONTACTS & INFORMATION** and APPENDIX B- **MY BUSINESS PLAN**.

14. CHOOSING A NAME FOR YOUR BUSINESS

Look in any Business Telephone Directory a prime example, look under 'Taxi's'. It is not a coincidence that you will find numerical names i.e. 1-4-U or A-2-B, or names that have no relationship to owner's name or the type of business, like AARDVARK or ABACUS. For the Taxi company owner, it is good business sense, they want to ensure they are the first taxi company you come across when you look in the telephone directory.

Using a made-up word e.g. 'AIRPORTCARZ' or 'PRONTOPRINT' can prove advantageous too because if you are registering it as a Trademark, you will stand a better chance with a made-up word.

Sole Traders or Partnerships can trade under their own names or can decide to trade under an entirely different name. However, if you trade under any other name than your own name all business stationery must include the name(s) of the Sole Trader and/or partner.

If you intend on utilising e-commerce for your business it would be wise to check whether the domain address is available for your website before registering a Trademark, i.e. if you were going to trade under 'DIAMONDCUTZ' it would be good for your e-commerce if www.diamondcutz.co.uk or www.diamondcutz.com or www.diamondcutz.biz were available websites.

Were they, and you purchased one of these domains, cost savings can be made by designing the website yourself? It sounds a daunting project but utilising a website builder like 'Go Daddy' or 'WIX.com', cost can be greatly reduced, by not employing a professional website designer. There are many more website builders, so you should research and consider which website builder best meets your needs. See APPENDIX A – USEFUL CONTACTS & INFORMATION - WEBSITE DESIGN - PAGE A-7.

A basic website can be up and running in a matter of hours and you can develop the website as your confidence in website design grows. When you consider the cost, remember whilst purchasing the domain, it would be wise to include 'Search Engine Visibility' which, if you have designed you website with key words, ensures your visibility when potential customers conduct website searches e.g. for diamondcutz taxis, key words might be 'TAXI' and 'TAXIS' plus location so 'FAREHAM TAXIS' or perhaps 'HAMPSHIRE TAXIS'. See APPENDIX A – USEFUL CONTACTS & INFORMATION - WEBSITE DESIGN PAGE A-7.

Other additional options you may like to consider, 'Website Design Support' and 'Trusted Site' status, which will give potential customers confidence in the security when visiting your website. You might like to consider a bespoke e-mail address, not deriding the use of 'Hotmail' or 'Gmail' etc. but if you want to project professionalism perhaps bookings@diamondcutztaxis.co.uk offers that '*je-ne-sais-quoi*' that distinguishes the professional from the amateur?

Also, before deciding on a name for your business you should check

- There is not another business trading under the same name, you can do this simply through Companies House <https://beta.companieshouse.gov.uk/> (this is currently a trial website), also <https://www.gov.uk/get-information-about-a-company?>
- Ask your potential customers if they can relate to your company name?
- Make sure your business name does not mean something rude or insulting in a foreign language? *and*
- Does this name project the image you wish for your company?

14.1. USEFUL TIPS WHEN CHOOSING A COMPANY NAME

- Avoid using Initials – it is difficult to relate to when starting a business,
- Try not to use long or complicated names – customers will not relate to your business easily, *and*
- Using Capital letters can give your business greater prominence.

15. WHAT FORM OF TRADING?

Before you open for business you will need to decide how you intend to trade. Getting the right option that meets your needs means finding the right balance between keeping administration simple, protecting your personal assets and how you will be taxed in each instance.

All have their advantages and disadvantages it is your decision on which suits your business the best, the four options are:

- Sole Trader,
- Partnership,
- Limited liability partnership, *or*
- Limited Company.

15.1. SOLE TRADER

Setting up a business as a Sole Trader is probably the simplest and quickest way to get started. There is a lot less formality, i.e. less form completing, and you can start almost immediately.

The **ADVANTAGES** are:

- Simple formalities.
- More flexible.
- Immediate Start-up.
- You can trade under any name.
- You make your own business decisions, answering to nobody else.
- You must have at least one customer to become a 'Sole Trader'.
- Despite the name 'Sole' trader you can take on employees.

The **DISADVANTAGES** are:

- You are personally responsible for any losses the business makes. This could mean forfeiture of personal possessions, including your house were bad debts incurred.
- As a Sole Trader it is difficult to gain financial funding for your business.

15.1.1. RULES RELATING TO SOLE TRADER

There are a few rules relating to Sole Trader that must be adhered to:

- ◇ Once you go into business you must keep records of all outgoings and income.
- ◇ If you are self-employed you must register with the Inland Revenue within three months of starting up by completing Form CWF1, which can be completed on-line See <https://www.tax.service.gov.uk/shortforms/form/CWF1ST?dept-name=CWF1&sub-dep>.
- ◇ Although you are a sole trader being taxed as self-employed is not automatically the case even though you are working for yourself, so registering with the Inland Revenue is very important.
- ◇ Complete an annual Tax return.
- ◇ You must retain part of your turnover for tax purposes.
- ◇ Tax is paid in instalments, an estimated interim payment 31st January with a final payment 31st July, each year.

15.1.2. NATIONAL INSURANCE

If you start up your own business as a sole trader your National Insurance contributions for 2018/2019 and 2017/2018 are as follows:

- ◇ **CLASS II** assuming you do not exceed the small profit threshold of £ 6,205 (2018/19) and £6,025 (2017/18), contributions flat rate stamp of £ 2.95 (2018/19) and £ 2.85 (2017/18) per week – counts towards your basic pension.

If the level of profits does not exceed the Small Profits Threshold no Class II NI Contributions will be due. However, as Class II NI contributions affect your entitlement to the State Pension and certain benefits, you should consider making voluntary contributions.

- ◇ **CLASS IV** contributions are based on your annual net profits, for self-employed Class IV contributions start at the Lower Profit Limit.

LOWER PROFIT LIMIT £ 8,424 (2018/19) AND £ 8,164 (2017/18)

CLASS IV CONTRIBUTIONS between the Lower & Upper Profit Limit is **9%** (2018/19) & (2017/18)

UPPER PROFIT LIMIT £ 46,350 (2018/19) and £ 45,000 (2017/18)

CLASS IV CONTRIBUTIONS rate above the Upper Profit Limit is **2%** (2018/19) & (2017/18)

CLASS IV CONTRIBUTIONS are profit related and do not count for any benefits themselves.

For more information please follow the links provided in APPENDIX A – USEFUL CONTACTS & INFORMATION - [INLAND REVENUE - TAX & NI PAGE A-6](#).

15.2. PARTNERSHIPS

Partnership rules are very similar to Sole Traders with the obvious difference is a sharing of responsibilities and management of the business.

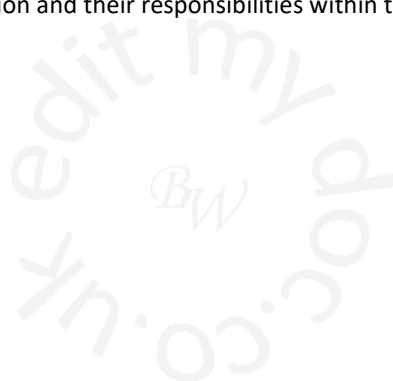
The **ADVANTAGES** are the same, as for a Sole Trader.

The **DISADVANTAGES** are almost the same as for a Sole Trader, with two very important differences:

- As for a Sole Trader you are both responsible for business debts. However, were one partner unable to pay their share of the debts, the other partner becomes responsible for it.
- Any partner can make a business decision or enter into a binding contract without the consent of the other partner(s).

Having read the two statements above, if you are considering a partnership hopefully alarm bells are ringing and you are now thinking that it is important that there is a partnership agreement, setting out how the partnership will be run and how the proceeds will be divided.

Even if your partnership is with a long-standing friend, colleague or even with you closest relative, to help prevent any possible future dispute and ill feeling, have a contract drawn up professionally setting out everyone's precise position within the organisation and their responsibilities within the Company.



15.3. LIMITED LIABILITY PARTNERSHIP

A Limited Liability Partnership (LLP) is basically the same as for the Partnership described above, however LLP offers reduced personal responsibility for business debts.

The **ADVANTAGES** are:

- Partners in a Limited Liability Partnership are protected from personal responsibility for business debts.
- Partner liabilities are limited to;
 - ◊ The amount of money they have invested in the Company, *and*
 - ◊ Any personal guarantees they have given to raise finance.
- The other important factor is, in Partnership you will invariably have more money to invest in the company.

The **DISADVANTAGES** are:

- Setting up a Limited Liability Partnership is more complicated and more expensive than as for a Sole Trader or Partnership.
- You must register with Companies house on Form LLP2 (cost about £95.00). It would be wise to use a Solicitor or company formation agent to help you set this up.
- Until you receive acknowledgement from Companies House you cannot commence trading.
- Additional Costs for;
 - ◊ Auditing of the accounts. (*those with a turnover of less than 5.6m and a balance sheet total of less than 2.8m are normally exempt*)
 - ◊ Submitting annual accounts to Companies House.
 - ◊ Submitting annual return giving key details of the LLP consortium.
- As with the Partnership it would be wise to have a legally binding contract between the partners stating their role, liabilities and profit sharing.

You cannot form a Limited Liability Company if you are intending on starting up a 'Charity' or 'Not-For-Profit' organisation.

15.4. LIMITED COMPANY

Limited Companies may offer reduced responsibility for company liabilities i.e. normally partner liabilities are limited to how much they invest in the company and any financial guarantees that may have been to obtain finance. However, it does incur a wide range of additional legal responsibilities.

The **ADVANTAGES** are:

- Limited Liabilities.
- Your home and personal possessions are safe from debt claim.
- Greater business credibility – making it easier to gain financial backing.
- For marketing purposes is perceived as giving greater credibility.
- Tax efficient.
- Income can come from salaries and dividends.
- You can raise money by offering individuals or other businesses to subscribe in shares of your company.

The **DISADVANTAGES** are:

- To set up a limited company a minimum of two partners must sign a '**MEMORANDUM OF ASSOCIATION & ARTICLES OF ASSOCIATION**', which covers issues such as who will run the business, what it will do and where it will be located. See <https://www.gov.uk/limited-company-formation/memorandum-and-articles-of-association> and APPENDIX A – USEFUL CONTACTS & INFORMATION - **MEMORANDUM AND ARTICLES OF ASSOCIATION PAGE A-1**.
- The Memorandum of Association & Articles of Association all with the Standard Registration form – (Forms 10 and 12) must be forwarded to Companies House before you can start trading.
- Cannot trade until Certificate of Incorporation is authorised by Companies House.
- The Director and the Company Secretary must be separate people.
- Additional administrative costs:
 - ◇ Company must submit annual accounts and tax returns to the Inland Revenue.
 - ◇ A set of accounts needs to be submitted to Companies House making financial information regarding your company available to the public.
 - ◇ Companies House also requires annual returns on the Company, its' directors and shareholders.
 - ◇ Accounts need to be audited unless your company qualifies for an audit exemption by meeting at least 2 of the following:
 - ❖ an annual turnover of no more than £10.2 million
 - ❖ assets worth no more than £5.1 million
 - ❖ 50 or fewer employees on average.

See <https://www.gov.uk/audit-exemptions-for-private-limited-companies> for more details.

16. COMMON MISTAKES

Like anything we do in life it is far too easy to make mistakes, deciding to go self-employed is no exception, luckily the common mistakes are known factors so forewarned is forearmed.

Setting up a business is a risky and being a successful is never guaranteed.

We have already mentioned, that the early stages of setting up a business is not only the most physically exerting and emotionally stressful time, it is also the time your business is at its most vulnerable – 20 per cent of new businesses fold within the first year and 50 per cent within the first three years?

These figures are frighteningly true, but if you are prepared for the challenges an entrepreneur must face when starting a business, you are prepared for the hard work ahead, you are realistically aware of likely issues – the figures above should not scare you off, and you should concentrate on your future success.

17. WHAT ARE THESE MISTAKES?

17.1. SETTING SIGHTS TOO HIGH

Be realistic about forecasts and your potential. It is far too easy during the start-up phase to be over optimistic. This can be particularly damaging if you have gained financial backing and got it all wrong. This includes:

- Being over optimistic with your perceived market size,
- Confusing sales volume or sales size with success – rather than looking at the profit,
- Diversifying too soon, *and*
- Poor Planning – See APPENDIX B - [MY BUSINESS PLAN](#).

17.2. POOR MARKET RESEARCH

Many businesses fail not because of lack of funding or because they may have hired the wrong team members but simply because of lack of Market Research and non-appreciation of the viability of the market. This includes:

- Not conducting a comprehensive market research,
- Keeping business ideas to oneself – not discussing with friends, family etc to gain others perspective of your business plan, *and*
- Not knowing your potential clients or market place.

17.3. FINANCIAL PLANNING

A lack of funding and not having a contingency plan can be considered poor planning – however, not seek professional advice will incur serious problems very early in your business start-up. These include:

- Lack of Capital,
- Lack of a Contingency Plan, *and*
- Reluctance to seek professional advice (accountants, business advisers etc).

17.4. WHAT ARE YOUR COMPETITORS DOING?

Business start-up will be a hectic period of your life but don't forget to keep an eye on what your competitors may be doing, it may alter your strategy in mid-flow. This includes:

- Failing to monitor your competitors, newspapers, television and physically, *and*
- Failing to act on information

17.5. LACK OF CONTROL OVER SUPPLIERS & CUSTOMERS

Failing to carefully select your suppliers and set up a negotiated credit arrangement can cause problems later. You should carry out careful checks of both suppliers and customers by:

- Check bank references, credit ratings and trade references,
- Carry out credit checks on new and current customers,
- Think about offering customers discounts for early payments, *and*
- Ask your solicitor or accountant about legally enforceable ways of obtaining prompt payments.

17.6. STOCK & ASSET MANAGEMENT

Not managing your stock or over investment in fixed assets will mean you are tying up valuable capital. To avoid this:

- Build an efficient stock control system,
- Carry out regular inventories,
- Re-order stock only when stock reaches minimum level or better still discuss with your suppliers a 'Just-in-time' policy,
- Don't over-invest in fixed assets early on in your business start-up, *and*
- Think about the alternatives to owning fixed assets, leasing, hire purchase etc.

17.7. EMPLOYING THE WRONG STAFF

Your staff will be your most important asset and it is not easy to recruit the right mixture of skills and personalities that they will develop into the perfect team. Therefore, it would be wise to consider all your options, which are:

- Employing permanent staff on a full time or part time contract,
- Fixed term contracts,
- Recruitment agency – temps,
- Consultants,
- Contractors, *or*
- Freelance

Failing to delegate – as the owner of the business you hire staff to work for you, you should relinquish some responsibilities and free yourself for more important tasks.

18. MANAGEMENT CONSULTANCY

Companies employ management consultants for various reasons, normally for the following:

- To identify or perhaps resolve a problem,
- They wish to exploit an opportunity, *or*
- They have a problem and wish to improve the situation.

18.1. WHAT SKILLS DO YOU NEED AS A MANAGEMENT CONSULTANT?

Obviously one of the prime requirements of a Management Consultant is knowledge of the industry or sector, but this should be supported by other abilities:

- Identify the problems and opportunities,
- Create a proposal and sell it along with yourself,
- Create and communicate vision,
- Independence,
- Objectivity, *and*
- Maintaining client awareness.

18.2. YOU HAVE TO ASK YOURSELF:

As a management consultant you are the business, so you ask yourself the same questions any other self-employed person asks?

- How much do I want or need to earn?
- What are my competitors charging for the same service?
- How much time can I dedicate to my consultancy?
- How does my private life fit in?

18.3. INSURANCE

As a Management Consultant there is a need for insurance, which means:

- ‘PUBLIC LIABILITY INSURANCE’ covers members of the public for death, bodily harm or injury and/or damage to their property, which occurs as a result of your business
- ‘PROFESSIONAL INDEMNITY INSURANCE’ If you provide advice, provide a professional service to clients, or handle data or intellectual property belonging to others, Professional Indemnity Insurance is an important cover paying compensation and or court fee’s in the event of a client suffering a financial or professional loss because of you work / advice.

To obtain useful advice on insurance, go to an Insurance provider like Simply Business UK <https://www.simplybusiness.co.uk/insurance/consultants/>, you can complete a simple questionnaire, which will give you advice on your insurance needs.

For further details See APPENDIX A – USEFUL CONTACTS & INFORMATION - [INSURANCE PAGE A-7](#).

19. INTERIM MANAGEMENT

Organisations engage Interim Managers who are normally highly qualified independent executives at CEO, Director or Senior Management level.

Normally Interim Managers are employed for an agreed time period, with full management responsibilities.

19.1. TYPICAL INTERIM MANAGEMENT APPOINTMENTS ARE:

- Gap Management,
- Because of the Interim Managers scarce skills, *and*
- Project Management.

19.2. HOW DO INTERIM MANAGERS OBTAIN POSITIONS?

- Independently, *or*
- Via an Interim Management Consultancy. Normally an Interim Management Consultancy would expect you to be registered as a limited company.

19.3. INSURANCE

As an Independent Management Consultant there is a need for insurance, which means:

- ‘PUBLIC LIABILITY INSURANCE’ covers members of the public for death, bodily harm or injury and/or damage to their property, which occurs as a result of your business, *and*
- ‘PROFESSIONAL INDEMNITY INSURANCE’ If you provide advice, provide a professional service to clients, or handle data or intellectual property belonging to others, Professional Indemnity Insurance is an important cover paying compensation and or court fee’s in the event of a client suffering a financial or professional loss because of you work / advice.

To obtain useful advice on insurance, go to an Insurance provider like Simply Business UK <https://www.simplybusiness.co.uk/insurance/consultants/>, you can complete a simple questionnaire, which will give you advice on your insurance needs.

For further details See APPENDIX A – USEFUL CONTACTS & INFORMATION - [INSURANCE PAGE A-7](#).



APPENDIX A

USEFUL CONTACTS & INFORMATION

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Gov.UK



SETTING-UP A BUSINESS

What you need to do to set up depends on your type of business, where you work and whether you take people on to help.

<https://www.gov.uk/set-up-business>

WORKING FOR YOURSELF

If you start working for yourself, you're classed as a sole trader. This means you're self-employed - even if you haven't yet told HM Revenue and Customs (HMRC).

<https://www.gov.uk/working-for-yourself>

FINANCE & SUPPORT FOR YOUR BUSINESS

<https://www.gov.uk/business-finance-support>

NEW ENTERPRISE ALLOWANCE (FOR THE UNEMPLOYED)

New Enterprise Allowance (NEA): videos and promotional material about helping unemployed people become self-employed.

<https://www.gov.uk/government/collections/new-enterprise-allowance-campaign>
<https://www.gov.uk/government/collections/new-enterprise-allowance-campaign>

SETTING UP AND RUNNING A LIMITED LIABILITY PARTNERSHIP

Explains your responsibilities, including choosing a name, having a registered address, appointing designated members and registering with Companies House.

<https://www.gov.uk/guidance/set-up-and-run-a-limited-liability-partnership-llp>

MEMORANDUM AND ARTICLES OF ASSOCIATION

When you register your company, you need:

- a 'memorandum of association' - a legal statement signed by all initial shareholders agreeing to form the company
- 'articles of association' - written rules about running the company agreed by the shareholders, directors and the company secretary

MEMORANDUM OF ASSOCIATION

You can use the [MEMORANDUM OF ASSOCIATION TEMPLATE](#). You cannot update the memorandum once the company has been registered.

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ARTICLES OF ASSOCIATION

You can use standard articles (known as '[MODEL ARTICLES](#)').

You can write your own articles but if you do, you cannot [REGISTER YOUR COMPANY](#) online.

<https://www.gov.uk/limited-company-formation/memorandum-and-articles-of-association>

GET HELP WITH TAX

<https://www.gov.uk/tax-help>

You can get help if you don't understand something about your tax, for example [TAX RETURNS](#), allowances and [TAX CODES](#).

You can also get [HELP & SUPPORT WITH SELF-ASSESSMENT](#).

SELF-EMPLOYMENT NATIONAL INSURANCE RATES

<https://www.gov.uk/self-employed-national-insurance-rates>

AUDIT EXEMPTION FOR PRIVATE LIMITED COMPANIES

You may not need to get an audit of your private limited company's annual accounts.

Most small private limited companies only need an audit if their articles of association say they must, or the shareholders ask for one.

<https://www.gov.uk/audit-exemptions-for-private-limited-companies>

LEGAL FORMS FOR BUSINESS – A GUIDE

Defines unincorporated and incorporated businesses. Unincorporated forms include the sole trader, unincorporated association, partnership, limited partnership, and the trust. Incorporated forms include the limited company, limited liability partnership (LLP), community interest company (CIC), charitable incorporated organisation (CIO), industrial and providential society, and Financial Mutual.

<https://www.gov.uk/government/publications/legal-forms-for-business-a-guide>

LEGAL FORMS FOR BUSINESS – A GUIDE

Available as a 'pdf' from the Department of Business Innovation & Skills

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/31676/11-1399-guide-legal-forms-for-business.pdf

BUSINESS HELP & SUPPORT

BRITISH CHAMBER OF COMMERCE



With 53 Accredited Chambers the BCC Network is one of the largest training providers in the UK and is committed to delivering solutions totally aligned to the objectives of the business community.

Apart from training, they conduct seminars in various topics generally related to self-employment.

The BCC has a great deal of influence over the business community and there are many useful articles on the website including legislation for the self-employed, pensions and health & safety.

<https://www.britishchambers.org.uk/>

COMPANIES HOUSE



Having decided your company name you can check here whether the name is already being used.

<https://beta.companieshouse.gov.uk/> and

<https://www.gov.uk/get-information-about-a-company>

STARTING A BUSINESS – SCOTLAND



Information on business planning, registering a company and starting a new business.

<https://www.mygov.scot/business/starting-business/>

BUSINESS GATEWAY SCOTLAND



Dedicated to business start-up in Scotland and lists useful exhibitions taking place for Business Start-up.

Business Gateway is a publicly funded service contributing to the economic well-being of Scotland by providing access to free business support services. Giving assistance and impartial advice to people starting or growing their business by a combination of; Online support, Fully funded local workshops and events and Advice.

<https://www.bgateway.com/>

SCOTTISH ENTERPRISE



Deals with all aspects of starting a business in Scotland including Financing.

www.scottish-enterprise.com

INVEST NORTHERN IRELAND



As the regional business development agency, Invest NI's role is to grow the local economy. We do this by helping new and existing businesses to compete internationally, and by attracting new investment to Northern Ireland.

We are part of the Department for the Economy and provide strong government support for business by effectively delivering the Government's economic development strategies.

<https://www.investni.com/>

NORTHERN IRELAND DIRECT



The decision to become self-employed is a big step, especially if you're close to retirement. Plenty of advice is available and you can get help with planning, training courses and funding.

<https://www.nidirect.gov.uk/articles/starting-your-own-business>

BUSINESS EYE – WALES

Business Wales



Business Wales is a free service that provides impartial, independent support and advice to people starting, running and growing a business in Wales.

With regional centres across Wales, offering a mixture of online and face-to-face support, as well as training workshops and individual advice.

<https://businesswales.gov.wales/business-wales>

BUSINESS LINK



Business Link is a network of experienced entrepreneurs and business people offering advice and guidance to SMEs and start-ups in the UK.

<http://www.businesslink.org.uk/>

BUSINESS—IDEA—CENTRE



Offers information on Start-up, marketing, home businesses and new business ideas. It also has links to nearly every website dealing with self-employment, including worldwide advice.

<https://www.entrepreneur.com/businessideas>

NATIONAL ENTERPRISE NETWORK – ENGLAND



Founded in 1992 as the National Federation of Enterprise Agencies (NFEA), membership being drawn from traditional enterprise agencies – those that provided independent and impartial advice, training and mentoring to new and emerging businesses. As the enterprise support sector has developed, so has its' membership base and as the rebranded National Enterprise Network (NEN), now also represents the Chambers of Commerce, local authorities, other specialist enterprise providers, universities and corporate organisations across England.

<https://www.nationalenterprisenetwork.org/>

THE SCHOLARSHIPS HUB - FOR STUDENT ENTREPRENEURS



For students and graduates turning their hand to running their own businesses, these scholarships have been devised to encourage entrepreneurial spirit and help you on your way

<https://www.thescholarshiphub.org.uk/blog/scholarships-student-entrepreneurs>

THE PRINCE'S TRUST



The Prince's Trust is dedicated to 18-30-year olds that cannot fund a business venture. With low interest loans available from £2,000 to £5,000.

www.princes-trust.org/

SHELL LIVEWIRE



SHELL LIVEWIRE programme supports innovative young (16-30-year olds) entrepreneurs in the UK, with ideas that meet the energy and resource needs of a fast-growing population

<https://www.shell-livewire.org/article/49/about>

See also SHELL SPRINGBOARD programme which provides support to the most promising low-carbon and sustainability technologies which have the potential to play an important part in the transition to a lower-carbon world.

<http://www.shellspringboard.org/>

FRANCHISE

BRITISH FRANCHISE ASSOCIATION



Comprehensive details on finding the right franchise. Seminars on Franchising, professional advisers and Buying a Franchise.

Also has links to Franchising in SCOTLAND.

<https://www.thebfa.org/>

QUALITY FRANCHISE ASSOCIATION



Find a Franchise – If you are Interested in self-employment through franchising? Franchising provides a great opportunity to change career direction. Franchises also enjoy a far higher success rate than starting up alone.

<https://www.franchise-association.org.uk/>

CHARTERED INSTITUTE OF MARKETING



The Chartered Institute of Marketing provides a wide range of Training Courses and Tailored Training Solutions in Marketing.

<https://www.cim.co.uk/>

DESIGN COUNCIL



Helps you define or create a business idea. You can also register for their newsletter which will keep you up to date with current trends and legislation.

www.designcouncil.org.uk

LAWDEPOT



Customised legal documents at a fraction of the price it would cost through a traditional lawyer.

With a free trial subscription, you will have unlimited access to all of LawDepot's documents which can be customised, downloaded, and printed in 5-10 minutes with no strings attached.

<https://www.lawdepot.co.uk/>

BUSINESS-IN-A-BOX



Business-in-a-Box is a one-stop shop for legal templates and information for businesses, including the widely available range of electronic forms, documents & letters in the most user-friendly format MS Word.

<https://www.business-in-a-box.com/>

BUSINESS PLANS

PRINCES-TRUST



Offering templates for a Business Plan (Word / Pdf) and Business Plan Financial Template (Excel)

<https://www.princes-trust.org.uk/help-for-young-people/tools-resources/business-tools/business-plans>

WRITE A BUSINESS PLAN - GOV.UK



Download free business plan templates and find help and advice on how to write your business plan.

<https://www.gov.uk/write-business-plan>

ENTREPRENEUR HANDBOOK



Learn everything you need to know when writing a business plan including what to include, how to structure your plan and how to present it.

<https://entrepreneurhandbook.co.uk/business-plan/>

BPLANS



Business Plans UK offer 500 examples of Business Plans for many different types of enterprises, which you can download.

https://www.bplans.com/sample_business_plans.php

UNBIASED.CO.UK



You can run a business without a business plan, but this puts you at an immediate disadvantage. Without a plan, you will end up being reactive rather than proactive, and you'll find growth a lot more difficult.

Your business should have a business plan. It might be one short document, or a series of long documents, but whatever form it takes, it is the roadmap that sets out where your business to go, and how it will get there.

<https://www.unbiased.co.uk/life/small-business/writing-a-business-plan/>

BUSINESS RATES

VALUATION OFFICE AGENCY



If you are not sure whether you should be paying business rates for your property you can check on this website.

<https://www.gov.uk/government/organisations/valuation-office-agency>

DISTRICT VALUER SERVICE



District Valuer Services (DVS) is the specialist property arm of the Valuation Office Agency (VOA). We provide independent, impartial, valuation and professional property advice across the entire public sector, and where public money or public functions are involved.

<https://www.gov.uk/government/organisations/district-valuer-services-dvs/about>

BUSINESS MENTORS

MENTORSME.CO.UK



mentorsme.co.uk is Britain's first online gateway for small and medium-sized enterprises looking for mentoring services.

This free site offers businesses access to a list of quality-assured business mentoring organisations across Britain.

<http://www.mentorsme.co.uk/>

BUSINESS IS GREAT BRITAIN



Starting a business takes careful preparation and research. Take good advice at this planning stage, and you may well avoid costly mistakes later. A business mentor can give you honest and constructive feedback, as well as provide useful contacts and pass on valuable experience. There are mentorship programmes to suit all kinds of businesses, including start-ups.

<http://www.greatbusiness.gov.uk/start-out-with-a-business-mentor/>

GROWING YOUR BUSINESS



Business mentors can help you develop your ideas for growth by sharing their skills, expertise, experience and contacts.

Find free and paid-for mentors in your area with knowledge and experience relevant to your business on the '[MENTORSME](#)' website, or [BUSINESS MENTORING](#) if you're in Wales. 'Mentorsme' also has advice on how to pick the right mentor for your business.

<https://www.gov.uk/growing-your-business/work-with-a-mentor>

INLAND REVENUE - TAX & NI

INLAND REVENUE



For all your questions regarding Taxation, Working Tax Credits, National Insurance, Business Start-up etc.

www.inlandrevenue.gov.uk

SELF-ASSESSMENT AND NATIONAL INSURANCE CONTRIBUTIONS REGISTRATION FORM CWF1



If you are self-employed you must register with the Inland Revenue within three months of starting up by completing Form CWF1, which can be completed on-line

<https://www.tax.service.gov.uk/shortforms/form/CWF1ST?dept-name=CWF1&sub-dep>

UNBIASED.CO.UK



Your Personal Tax Plan

HMRC always says it wants people to pay 'the right amount of tax', and you should want this too. Many end up paying more tax than they need to, because they are unaware of all their allowances and the many legal methods available for reducing their tax bill. Tax planning lets you see exactly where you are paying tax and whether you are paying too much.

<https://www.unbiased.co.uk/life/small-business/your-personal-tax/>

GET HELP WITH TAX



You can get help if you don't understand something about your tax, for example [TAX RETURNS](#), allowances and [TAX CODES](#).

You can also get [HELP & SUPPORT WITH SELF-ASSESSMENT](#).

<https://www.gov.uk/tax-help>

SELF-EMPLOYMENT NATIONAL INSURANCE RATES



<https://www.gov.uk/self-employed-national-insurance-rates>

INSURANCE

MAKE IT CHEAPER

Compare Business Insurance Prices

<https://switch.makeitcheaper.com/business-insurance-ppc?>

SIMPLY BUSINESS - WHAT TYPE OF INSURANCE?



Simply Business website has a very simple questionnaire that once you have completed will tell you the types of insurance your business may require.

<https://www.simplybusiness.co.uk/insurance/faq/what-type-of-business-insurance-do-i-need/>

UNBIASED.CO.UK



Seeking advice on insurance can save you a great deal of money and reduce the level of risk to which your business is exposed. This article will help you decide what kinds of insurance you may need.

<https://www.unbiased.co.uk/life/small-business/business-insurance/>

DO I NEED A FINANCIAL ADVISER



<https://www.unbiased.co.uk/life/get-smart/financial-adviser/>

WEBSITE DESIGN

THE BEST 10 WEBSITE BUILDERS



See the website builders and choose the one that's best for your needs. Compare pricing, features and more for the leading brands

<https://www.thebest10websitebuilders.co.uk/>

WIX.COM



You have two options in designing your website, either a free website designed for you with Wix Artificial Design Intelligence or get total design freedom with the Wix Editor.

<https://www.wix.com/>

GODADDY



You won't be restricted by website templates. Instead, you have the option of customising every part of your website's pages by mixing and matching content blocks to suit your needs.

<https://uk.godaddy.com/websites/website-builder>



MAGAZINES & ON-LINE MAGAZINES

FEEDSPOT



https://blog.feedspot.com/uk_business_magazines/

BUSINESS MATTERS



Business Matters is the UK's largest distributed subscription-based monthly business magazine with currently just over 50,000 annual subscribers with a readership of 150,000+, mostly owners and managers of Small and medium sized enterprises (SME's) across the whole of the UK.

<https://www.bmmagazine.co.uk/>

SME GUIDANCE FOR BUSINESS GROWTH



SME Web is the website for SME business coverage produced by Publications UK, bringing you content from around the web which is relevant to you and tell you what it means for your business.

<http://www.smeweb.com/>

REAL BUSINESS



Real Business has championed entrepreneurship in the UK since 1997. It is now the main source of inspiration, education, and collaboration for the owners of fast-growing businesses, from start-ups to mid-market companies. Real Business provides readers with high profile interviews, news, insight and industry benchmark reports, as well as a growing stable of events tailored to SME growth.

<https://realbusiness.co.uk/>

START-UPS



UK's leading independent, online resource for anyone starting and growing a business.

Established in 2000, we are the UK's largest, longest serving, and most comprehensive small business advice platform, covering everything you need to know to start, buy, run, or sell a business.

<https://startups.co.uk/>

NEW BUSINESS.CO.UK



New Business provides advice to SME companies at every stage of their development, from starting up right through to flotation. There are currently more than four million SME companies within the UK, which account for 99% of the country's employment and which turn over more than £4.8 billion per annum. New Business assists these companies by providing them with the essential advice and help they require to develop and grow and to increase profitability.

<https://www.newbusiness.co.uk/>

TRAINING

BUSINESS TRAINING ON-LINE



Advance your business skills with expert-led online video tutorials - learn anytime, anywhere.

<https://www.linkedin.com/learning>

FREE BUSINESS START-UP WORKSHOPS



Kick Off in Business runs FREE events packed full of practical and useful Business advice. This programme is available to you regardless of whether you have previously been on any of their other events or workshops. They provide you with information on how to set up or improve your own business and at the same time, protect you from information you don't need. Online providers and other agencies attempt to provide you with an ocean of information in one go. The result is confusing and complex. They package the common challenges and considerations of starting up and help you tackle them. Starting a business is easier and closer than you think...

<http://www.kickoffinbusiness.co.uk>

To BOOK A COURSE See <https://www.eventbrite.co.uk/o/free-business-start-up-workshops-15319144592>

BUSINESS IS GREAT BRITAIN



WHERE TO GET START UP ADVICE

So, you're ready to start a business. The UK has a very supportive environment for start-ups, with a flourishing wealth of networks, groups and organisations for all types and style of new business, where you can get practical advice, ideas and make many valuable contacts. There is a separate page with advice about [WHERE TO FIND A MENTOR](#).

<http://www.greatbusiness.gov.uk/where-to-get-start-up-advice/>

This website has links to many more related websites.

SCOTLAND – See [BUSINESS GATEWAY SCOTLAND PAGE A-2](#).

WALES – See [BUSINESS EYE – WALES PAGE A-3](#).

NORTHERN IRELAND – See [INVEST NORTHERN IRELAND PAGE A-2](#).

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PRINCES-TRUST



SUPPORT FOR STARTING A BUSINESS

Working with 18 to 30-year-olds to turn big ideas into a business reality through the Princes Trust Enterprise programme. From training and mentoring support to funding and resources.

<https://www.princes-trust.org.uk/help-for-young-people/support-starting-business>

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A large, faint watermark of the editmydoc.co.uk logo is centered on the page. It consists of the text 'edit my doc.co.uk' in a circle with 'BW' in the center.

APPENDIX B

MY BUSINESS PLAN

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SECTION 1 – EXECUTIVE SUMMARY

NAME FOR BUSINESS:

BUSINESS PLAN PREPARED BY:

Executive Summary

This is a FULL account of the business you intend starting-up.

Like your personal Curriculum Vitae, it must interest the reader, it should explain the basics of your business whilst containing salient points from all the relevant sections of your business plan. Once the reader has looked at your business plan you want them to fully understand what your business will be and what you want to achieve – and again like your Curriculum Vitae it should have interested them so much they want to know more

Your Business Plan should not be

- A brief description of your business products or services – It should embrace your entire plan.
 - A ‘bullet point’ or index of ‘Salient Points’ makes for a long and tedious read – ensure you highlight and explain the salient points.
 - An exaggerated business potential (waffle) because Bank Managers and experienced investors will soon recognise it as such and undermined any credibility you may have had.
-

SECTION 2 – BUSINESS OPPORTUNITY

DESCRIPTION OF BUSINESS:

A DESCRIPTION OF THE BUSINESS OPPORTUNITY

Investors will want to know exactly what your business is, who you are and what you have to offer this new venture and what market you are aiming for.

INTENDED START DATE:

This should contain all the information regarding how you envisage or see your business starting up and how you see the potential growth of the business.

BUSINESS SECTOR:

This section should contain:

- Your intended start date – if you have already started trading highlight the progress you have made.
- What the Business is (sector)
- Does the business have a history? i.e. business buyout or have you taken over a family business.
- Is there a legal structure to the business?
- How do you see its development for the future?

HISTORY:

Explain your products or services – remember a Bank Manager or potential investor reading your business plan may not possess your knowledge of the product or service you're about to provide, therefore, K.I.S. – 'keep it simple', and avoid using acronyms or sector jargon.

LEGAL STRUCTURE:

SECTION 2 – BUSINESS OPPORTUNITY *(cont.)*

DESCRIPTION OF PRODUCT / SERVICE:

BENEFITS:

POTENTIAL MARKET:

BUSINESS DEVELOPMENT:

INVENTION & PATENT:

FEATURES:

Describing your products or services should include:

- What is it that makes your product or service unique or different to other providers?
- Are there benefits gained by purchasing your product or service?
- Who do you think will be your potential market?
- How do you see your business development of your product or service?
- If this is a new product or service invented by you – do you own the patent, trademarks or design rights?
- What are the features of your business sector?

SECTION 3 – SALES & MARKETING PLAN

If you have thought of a business already you will have an idea why people will want to purchase your product or services from you rather than your competitors, which you will now be aware of. You will also have an idea on how you intend to sell it to them – this is your Sales & Marketing Plan, you should highlight

THE MARKET:

- **The Market**

- ◇ Market potential.
- ◇ Historical information regarding its development, this should contain information on your competitors, growth and yours.
- ◇ Are there any current issues?

YOUR COMPETITORS:

- **Your Competitors**

- ◇ Who are they?
- ◇ How do they operate?
- ◇ What is their share of the market?

PRICING:

- **Pricing**

Will you have a different pricing strategy for different customers, i.e. private or business? Have you decided on pricing for bulk buying?

SECTION 3 – SALES & MARKETING PLAN *(cont.)*

HOW YOU WILL SELL YOUR PRODUCT:

How you will you sell your product or service?

- Will you utilise your own website?
- Telephone sales?
- Cold Calling
- Face to face
- Through retail outlets
- Through your own outlets (shops)

HOW YOU ENVISAGE THE FUTURE:

How you envisage the future

- Is there new legislation in the pipeline that may affect your product or service? Is there a newer product coming onto the market soon? Anything that you feel may affect your future should be included so potential investors know you fully understand your product and service,

SECTION 3 – SALES & MARKETING PLAN *(cont.)*

ADVANTAGES & DISADVANTAGES

Advantages & Disadvantages

- You will be aware of your competitors and you should have completed an analysis of theirs and your business and discovered their weaknesses and strengths. Again, give the reader a comprehensive explanation of how you did the analysis and highlight these weakness and strengths.
- If you find you have weaknesses in your market, then explain how you envisage overcoming these weaknesses.

PROMOTING YOUR PRODUCT OR SERVICE:

How will you promote your product or service?

- Do you envisage Direct Marketing?
 - Advertising – PR, e-sales, e-mail.
-

SECTION 4 – MANAGEMENT & ORGANISATION

NAMES OF THE MEMBERS OF STAFF:

A Bank Manager or potential investor will want to know your management structure and organisation, even if you are intending to become a sole trader. Your management structure should highlight strengths and weaknesses. Informing potential investors that you are aware of these weaknesses can work to your advantage and how you intend to overcome them.

WHAT THEIR ROLE WILL BE:

Providing information on your management structure and organisation can play a crucial part in gaining investor confidence, information on your staff should include:

HOW THEY FIT IN:

- Naming the members of your staff.
 - What their role will be in your business.
 - How they will fit into the overall organisation.
-

SECTION 4 – MANAGEMENT & ORGANISATION *(cont.)*

A PROFILE OF EACH MEMBER OF STAFF:

Include a profile on each person

ENVISAGED EMPLOYEE RETENTION:

- History include key skills, Sales & Marketing, Finance, Accountancy, IT, Production or Operational.
- If they have invested financially in the future of your company.

RECRUITMENT:

- What your intended salary, benefits or bonus plan is for each member of staff.

PROFESSIONAL ADVISERS:

- Do you have a future training policy for current staff? What will the cost be?
- What you envisage will be your employee retention rate will be?
- Do you intend on recruiting additional staff? If so, what is the timescale and what will be the additional cost to the business?

OUTSOURCING:

- If you have Professional advisors, i.e. Business, Solicitors or Accountants?
- Do you intend to 'outsource' any part of your business i.e. production?

MOTIVATION & MORALE:

- How you intend on motivating your staff or perhaps raising morale?
-

SECTION 5 – OPERATIONAL PLAN

Operations covers nearly every aspect of your business and should be a detailed account of everything that relates to the success of your business and should include:

BUSINESS LOCATION:

Your business location(s)

- Is it a good or bad location(s)?
- How long do you intend on staying at this location(s)?
- Do you own the property or are you leasing?
- What are the advantages and disadvantages of your current location(s)?

MANAGEMENT INFORMATION SYSTEMS:

Management Information Systems (MIS) or Databases

- Will you be utilising a stock control database?
- Account management and invoicing database?
- Do you require a quality control system?
- Can these MIS systems handle your predicted business growth?

STOCK CONTROL DBASE:

ACCOUNT MANAGEMENT DBASE:

QUALITY CONTROL DBASE:

SECTION 5 – OPERATIONAL PLAN *(cont.)*

INFORMATION TECHNOLOGY:

Information Technology

There are very few organisations today that can survive without the use of information technology for one or more processes within their organisation. So, it is important that you highlight any strengths and weaknesses you may have, with your solutions to any weaknesses.

- Outdated IT equipment – i.e. small memories – indicate a predict replacement date.
 - Lack of networking within the business, this could be particularly critical between sales and production or stock control – when do you envisage networking your systems?
 - If you intend on using your 'website' for promotional purposes and sales if your website is operational then include your website address. If a website is future development give an estimated date for going on-line and how you envisage this will improve your sales.
-

SECTION 5 – OPERATIONAL PLAN *(cont.)*

PRODUCTION:

Production

Production may play a vital part of your business therefore it is vital that you provide full details of your intended production plan, this should include:

- Will you be providing a production facility, or do you intend on 'outsourcing' production?
 - If you are 'outsourcing' is it because it is cheaper?
 - If you intend on your own production how modern is the equipment and what is the maximum output – i.e. when would you envisage the need for replacement or additional equipment to meet future demands.
 - If expansion is required does your current production location have the space or will you have to move?
 - If you have said you will need replacement / additional equipment or you may need to move to another location, will it need future additional investment?
-