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HOW TO START AND RUN YOUR OWN BUSINESS

Gillian Clegg and Colin Barrow

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CONTENTS

Preface	xi
Acknowledgements	xii
1 MAKING THE DECISION	
Advantages of running your own business	1
Disadvantages	1
The qualities you need to succeed	2
The eleven deadly sins	4
Summary	6
2 CHOOSING THE BUSINESS	
What would you like to do?	7
Spotting a gap in the market	8
The factors which influence your choice	9
Different business opportunities examined	11
Retailing	11
Catering	13
A service business	15
Launching an invention	17
Management buy-outs	19
Taking-up a franchise	21
Directory of franchises	23
Summary	33
3 FORMING THE BUSINESS	
Which business structure?	35
Sole trader	35
Partnership	36
Limited company	39
How to start a company	41
Co-operatives	45
Choosing a business name	48
Taking over an existing business	51
Licences and registration	55
Protecting your idea	58
Professional advisers	63
Summary	65
4 RAISING THE MONEY	
How much do you need?	67
Is the business viable?	68
What are you worth?	69
Rationalizing your requirements	70

viii CONTENTS

Raising money from outside sources	72
Overdrafts	73
Term loans	74
Who gives loans?	74
Equity finance	76
Directory of institutions giving long-term finance	78
Grants	84
Other methods of financing a business	86
Presenting your case	89
Personal guarantees	91
Summary	92
5 PREMISES	
Location	93
Deciding on premises	94
Working from home	98
Selecting a site	99
Calculating space requirements	99
Searching for premises	100
Surveys	101
Agreement	101
Rent	101
Premium	102
Rates	102
Insurance	103
Planning permission	103
Conversion work	103
Other legal requirements	104
Fitting out and equipping the premises	106
Heat, light and power	107
Summary	108
6 RUNNING THE BUSINESS	
Keeping accounts	109
The records to be kept	109
Auditing the books	111
Taxation requirements	111
Insurance	115
Credit control	117
Credit cards	119
Legal requirements	120
Dealing with customers	122
Summary	122
7 CONTROLLING THE BUSINESS	
Why you need accounting figures	125
The profit and loss account	126
The balance sheet	129
The cash flow forecast	131
Business ratios	132
Sources of financial information	138
Summary	140

8 EMPLOYING STAFF	
Defining your needs	141
Finding employees	143
The selection process	144
Terms and conditions of employment	147
Training	151
Health and Safety	154
Pay As You Earn (PAYE)	159
National Insurance contributions	160
Pensions	160
Incentives	163
Summary	163
9 YOUR CUSTOMERS AND THE MARKET PLACE	
Understanding customers and products	165
Protecting your position	169
Market research	171
Market research information sources	176
Field research	181
Distribution channels	184
Promoting the product	186
Public relations	193
Selling techniques	193
How to calculate your sales/price equation	196
Summary	199
10 MAKING YOUR BUSINESS GROW	
Planning for growth	201
Do what you do now – but better	202
Sell new products to existing customers	203
New markets for existing products	203
New markets for new products	204
Making a choice	205
Grow or become extinct	205
Useful organizations	206
Summary	206
11 WHERE TO GO FOR HELP	
Business advisory agencies	207
Business associations	223
Other useful organizations	225
12 FIVE START-UP OPPORTUNITIES ANALYSED	
A small hotel	227
A private day nursery	233
A health food shop	237
A clipping and grooming service for dogs	240
A driving school	243
Index	249
Advertisers' index	253

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PREFACE

There has probably never been a better time to start up a business of your own. Politicians of all parties now take small business seriously. They realise that the economic future of the country depends upon the wealth creators and that unless new businesses are encouraged to start and prosper, there will be no new industries to provide jobs and create wealth.

The present government has introduced more than 80 measures designed to help new and existing small firms and a mass of new organizations have come into being with the aim of providing advice, practical help and, sometimes, funding, for business start-ups.

Yet, despite all this activity, the failure rate amongst small businesses is very high. In 1983 around 120,000 businesses collapsed, with some 40% of failures occurring within the first few years.

What's the reason for this unhappy state of affairs? Mainly, we're sorry to say, because the potential small business owner hasn't done enough homework before he/she starts up.

The most common mistakes are:

- underestimating the amount of start-up capital required and the amount needed to finance growth (many businesses are forced to close because they run out of money although their order books are full).
- over-optimism about the size of the potential market and the ease of reaching it.
- failure to present a convincing business plan when applying for a loan (there is no shortage of funds but the lenders need to believe in the business competence of those they give money to).
- insufficient grasp of basic business skills such as book-keeping and accounts procedures.

On top of that, running your business is not everyone's cup of tea. Budding entrepreneurs must have courage, imagination and stamina – and many other qualities (we list them in the book). Some people who start up find they don't really have the stomach for it.

Just having good ideas isn't sufficient. Anyone who is seriously contemplating starting up their own business needs advice and information – mountains of it. And that is where this book comes in. It explains in clear, down-to-earth language the qualities you need to run your own business, how to choose the business best suited to your talents, how to set it up, where to find finance and how to run it efficiently. To help the reader the book contains a wealth of actual case histories to illustrate and illuminate the points being made.

The last chapter takes five different business opportunities and analyses them step by step: what qualifications you'll need, the start-up capital required, how to find and fit-out premises, buying stock, how to find the customers plus the special tricks of the trade which make the business prosper.

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