

## Planning

*Starting a new business is simple - You just have to sell something to someone for profit! Or at least that's what most fledgling entrepreneurs' initial thoughts would seem to be. But when you break down those three "simple" activities into smaller pieces by asking the: "Who?; What?; Where?; When?; Why? and How?" questions, for each activity, you begin to see that planning your business start-up is actually the key.*

*Get out a pen and paper (or whatever device you prefer) and write down how you are going to "sell something to someone for profit!"*

*You know what the business idea is, but what about getting it from an idea to the stage where you get to keep the profit? Consider your customers, location, competitors, finance, human resource, suppliers, logistics, technology, capital investment, taxation, legal issues and ownership structure.*

*You'll be surprised by what you don't know. Identify your weaknesses before you start your business and decide how you are going to cover those weaknesses.*

## People

*Don't think you know it all – because you don't! Surround yourself with experienced people that understand you and your idea and are not afraid to guide you with critical analysis.*

*Listen to what your "advisors" have to say; consider what they have said and then decide to either:- ignore their suggestions; act on their suggestions a bit further. Experienced entrepreneurs got their experience by making mistakes along the way. By not repeating their mistakes your business will get a head start.*

*Seek out professional and experienced advisors that you can work with and who have a track record with your industry. Ask them about their experience.*

*With staff, don't waste time trying to bring on the weak employees. Replace them quickly and move on with finding the right people for the right roles. When recruiting staff, give a weighting to the hunger they show for your business and for their own career development. This is more important than picking the genius, because a start-up needs a dynamic and enthusiastic team to do what is needed to be done, not just what they were asked to do!*

## Profit

*Find out what financial assistance is available to assist start-up businesses in your area. Governments want start-ups to flourish as they have the potential to employ people who pay taxes and spend their wages!*

*The first three years of any start-up are critical. You have to invest significantly in Capital and Marketing without any certainty of a return on your investment. If you can find financial support to get you over the initial years this will be invaluable to the sustainability of your new business.*

*Don't strip all of the profit out of the business for yourself. As a rough guide (depending on the sector you are in and the level of borrowings you have) try to aim to leave 4% of your turnover in the business each year. This is needed to support growth and to finance your working capital needs while growing your business.*

*But don't be totally distracted by profit. The real lifeline of a business is cash flow. Make sure you have full sight of and control over your business' cash flows.*

# The Truth about Business Start-ups ...



When I grow up I want to be...

It's never too early to plan a **business start-up.**

At **JBW White & Co.** we specialise in assisting start-up and expanding businesses.

We use our expertise to help develop your ideas into a viable business and continue to provide support on financial, taxation and commercial matters as your business grows.



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