

# Be your OWN BOSS

Some people thrive on their own, working passionately on their idea and making money out of it. Carol Hanlon from the Business Enterprise Centres of Western Australia sets out 10 basic steps to starting a business.

## 1. Be Patient!

Take your time. Plan everything before you actually go out and start.

## 2. Conduct self assessment of you own goals and abilities

Work out your own strengths and weaknesses and what you would like to do. Set specific goals so that you know where you should be heading.

## 3. Buy, Start-up or Franchise?

Investigate all your options. Buying a business is usually more expensive to begin with, but can provide established premises, equipment and customers. Franchising is an alternative where a company will sell you established products, operating methods, and cut out much of the legwork involved in starting up.

## 4. Market Research

You need to know whether there really is a demand for your service, and if your product is right for the market. Thoroughly examine your competition, study the industry, and collect as much information as possible about your customers, products, pricing, industry trends, and production and delivery processes.

## 5. Check the Statutory Requirements

You should contact your local community-based Business Enterprise Centre (BEC) or your state's Business Advisory Service which can direct you to any organisation or government departments necessary to register your business. Search the web a [www.business.gov.au](http://www.business.gov.au) for an array of government organisations that can assist.

Check with your local council to see if they also have any by-laws affecting your business idea. Don't forget insurance. Some aspects are compulsory (such as worker's compensation if you employ people and third-party motor vehicle), whilst others are just good common sense (equipment insurance, personal accident and illness cover and public liability).

If you employ any people, you will have special legal obligations such as an employment contract or award, worker's compensation, occupational health and safety rules, keeping a wages book, etc. Research all aspects of the intellectual property you'll need to protect (e.g. trademarks) at: [www.ipaustralia.gov.au](http://www.ipaustralia.gov.au)

## 6. Locate Suitable Premises

You will need to have a business address. Are there enough rooms, desks and chairs? Will the council allow you to operate there?

## 7. Work out your Sums

You will need to know the following financial projections before you start:

- >how much money is required to start
- >how much money you will need to borrow
- >what your projected cash flow is for the next year
- >the projected profit and loss for the whole year (this will show if your business is viable)
- >research your tax requirements necessary for operating your business. For example, you will need to know about Pay As You Go (PAYG) instalments, Business Activity Statements (BAS) and how to register for an Australian Business Number (ABN) as well as the Goods and Services Tax (GST). See the Australian Taxation Offices's website at [www.ato.gov.au](http://www.ato.gov.au) or refer to an accountant.

You will also need to open a business bank account and to establish a book-keeping system.

## **8. Plan your Marketing**

Sit down and work out the target audience, where they are, and what is the best media form to reach them. Then work out costs and the message you'll use.

>Do you need a web site and a domain name?

>How will your clients contact you in the future, do you have email?

## **9. Use Professional Advice**

It is essential that you employ competent professionals such as a solicitor, an accountant and your local Business Enterprise Centre.

## **10. Prepare a Business Plan**

This will act as a blueprint for the future. It will also enable other people to give you useful feedback on the viability (or otherwise) of your project, and help financiers work out whether or not they will loan you any needed money.

*Source: Smartstart 2005*