

10 Steps to take when setting up a business

- 1. RESEARCH YOUR MARKET**
What is the extent of the market for your product / service? Who are your customers? Who are your competitors?
- 2. CHECK YOUR SOURCES OF MATERIALS / SUPPLIES, THEIR AVAILABILITY AND COST**
Where can the raw materials be purchased? Have you got quotations from a number of potential suppliers?
- 3. LOOK AT YOUR PRODUCTION REQUIREMENTS – PREMISES, MACHINERY AND LABOUR**
Where will the enterprise be located? What considerations are important in the choice of premises? What machinery is required? Will employees require additional training prior to commencing work?
- 4. WORK OUT YOUR TOTAL COSTS**
What costs are involved in the purchase of capital equipment / premises? What are your labour costs? What is the cost involved in production, distribution, administration and taxation?
- 5. ESTIMATE YOUR SELLING PRICE**
Taking the above factors into consideration estimate your selling price.
- 6. PLAN HOW YOU WILL ACHIEVE SALES**
Who is your target market (local / national)? How will you promote your enterprise? What channels of distribution will be used?
- 7. DECIDE THE LEGAL FRAMEWORK OF YOUR BUSINESS**
What business structure will the enterprise use – sole trader, partnership, limited company? Have you registered your company name? Have you registered as self employed?
- 8. CHECK OUT ANY LEGISLATION WHICH MIGHT AFFECT YOU**
Are you familiar with your obligations as an employer? Are you familiar with your tax obligations (Income & VAT)?
- 9. ESTIMATE YOUR TOTAL FINANCIAL REQUIREMENTS AND WHERE YOU MIGHT RAISE THE MONEY**
What are your investment requirements? How will you fund the project (personal investment, grant aid, loan)?
- 10. PRODUCE A BUSINESS PLAN**
Put all relevant information on paper – be realistic and set targets based on the research carried out.