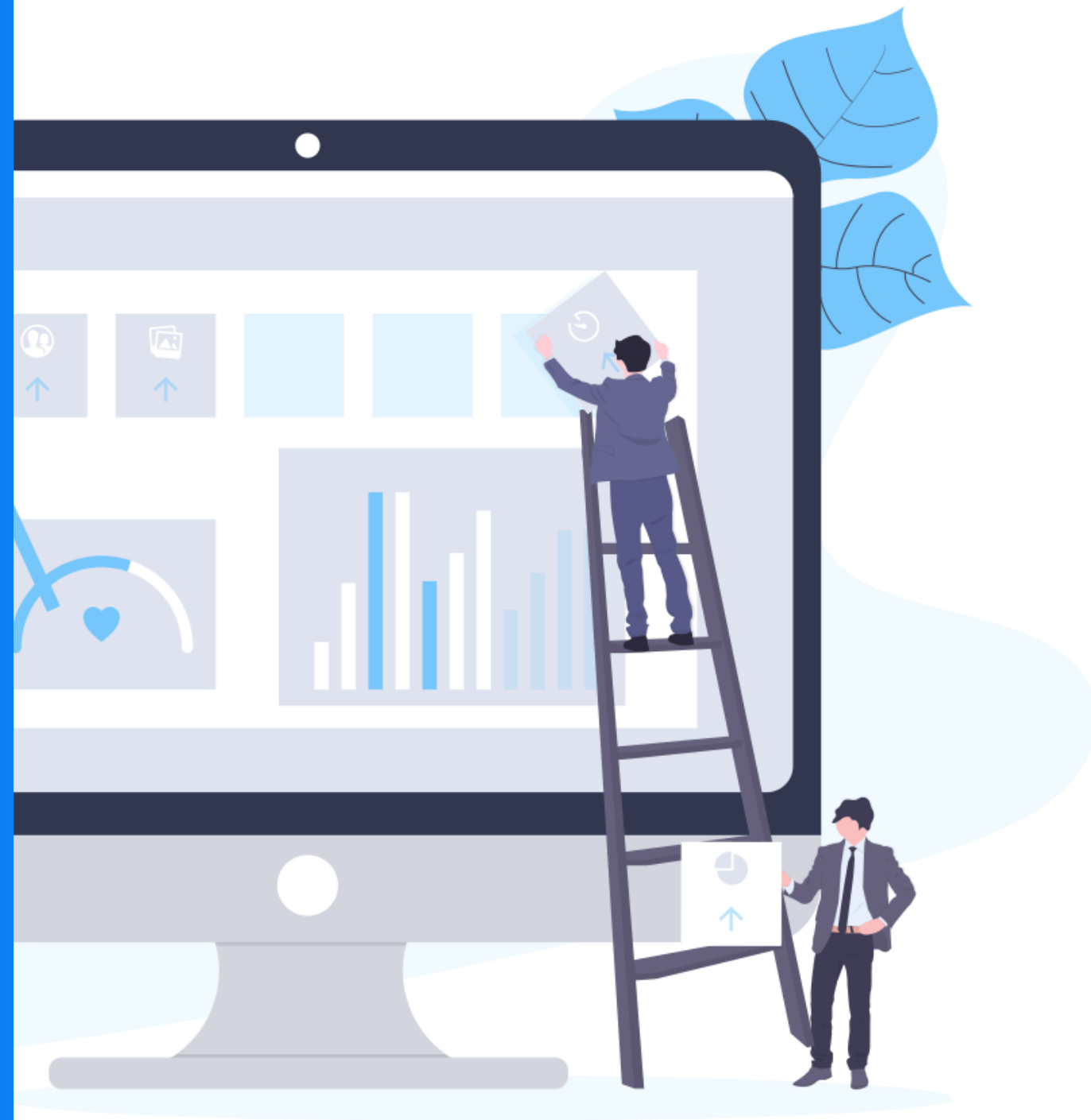


Starting a new business guide

Are you thinking of starting a new business? This guide will help you get going.



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Choosing a legal structure for your business

When starting a business, it is important to register with the right people before you start trading. Usually, this requires that you inform HMRC; but the rules differ depending on the legal structure of your business.

Sole traders

As a sole trader, the business is kept under your name and you are entitled to keep all of the profits (after tax).

This means you are also solely liable for any tax owed, along with any debts incurred by the business.

Limited companies

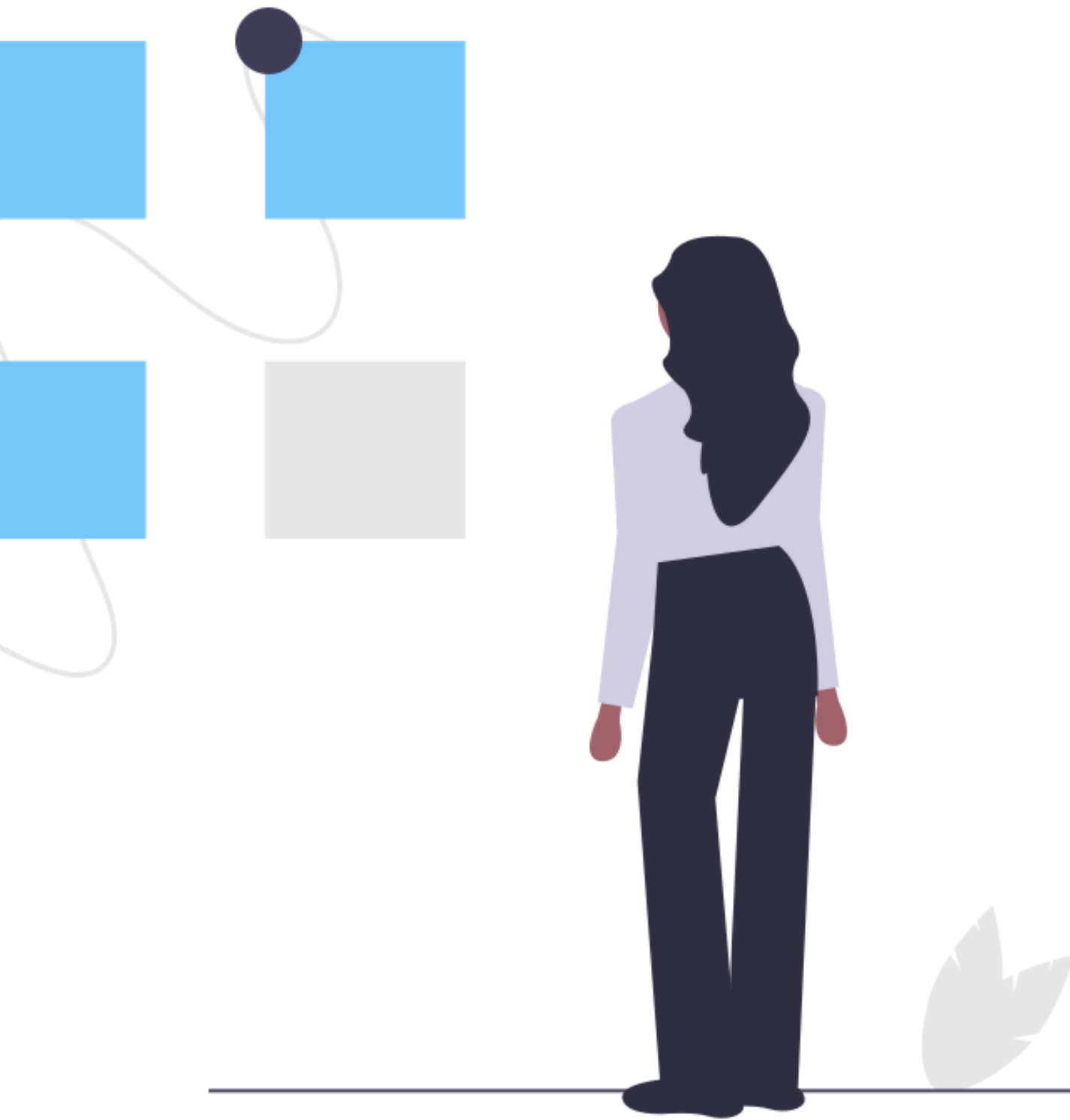
When operating as a limited company, your liability is limited to the amount you have invested in shares or guaranteed to the company.

In other words, you are a separate entity from the company, and are not personally liable for the company's debts.



Will I have to pay corporation tax?

If you're operating as a limited company, then you will need to register for Corporation Tax within three months of trading, hiring someone, or renting a property for your business.



Premises and business rates

IF YOU RUN YOUR BUSINESS FROM HOME YOU MAY NEED:

- Permission from your landlord or mortgage provider
- Business insurance
- To check whether you need to pay any business rates

IF YOU WILL BE OPERATING FROM A SHOP OR AN OFFICE:

You need to make sure the premises are licensed for the purpose you are using them (i.e. commercial use). If they aren't, you can apply for permission [here](#).

You may need to pay business rates depending on the value of the property you are working from. These are based on the 'rateable value' of the property, and you will be billed by your local council.

For more information on business rates, you can visit the government website [here](#).

If you are planning on running a pub or a restaurant then you'll need to get personal and premises licenses to sell alcohol, as well as any other entertainment related licenses.

Market research

To build a lasting business, you need to focus on one thing above all else - what your customers need.

Knowing your audience brings you closer to giving them what they want and need, and therefore increasing profit.

You might have a fantastic idea for a business, but if there are not enough people who want or need it, the idea will crash and burn, quickly. So, it is wise to commit to thorough market research before you get invested in your business

What you need to find out about the market:

- Who your potential customers are, and how big this market is
- What are your potential customers' buying habits (frequency, amount, etc.)
- Why do they buy certain products? What are their motives?
- What will make your potential customers buy from you, rather than a competitor?

Surveys allow you to substantiate your plans with quantitative data, putting you in a stronger position to attract investment.

Take a good look at your competitors as well; see what they are doing right, as well as what you think you could be doing better in your own business.

Planning is a crucial part of building a successful business.

A business plan is a formal document outlining your intentions for your business. This includes how you plan to use any money you are applying for, why you think you are the right person to make this business a success, and how much you estimate to make.

It can help you clarify your aims and ideas, spot potential challenges before they arise, set out your goals and measure your progress towards them.

It's also an important step if you are applying for finance, as lenders will want to see what you are planning to do with the money.

A business plan should be based on the evidence you gathered during your market research. The more things you are able to demonstrate, the higher your chances of being successful in your application for financing or investment.

Money lenders will also want to know how you plan to repay them.

All business is a risk, so they will be looking for the safest option to invest in. The more experience, understanding and research behind you, the more likely you are to be viewed as a safe option.

Writing a business plan

Things to include in your business plan

This checklist includes things you can use to ensure you have a comprehensive business plan:

- The basic business concept
- Your products or services and their competitive advantage
- Details of your target market
- How you plan to attract customers
- The financial requirements and loan repayment plan
- Market research
- Competitor analysis including how you plan to outdo them
- Your personal profile and you're the right person to make this business a success

If you are struggling to get started, there are a multitude of templates available online to help you.

Managing your finances

This is the core of any business: making money. Hopefully, it isn't the only reason you started, but it should be a primary concern if you are looking to build something lasting.

Managing your money effectively reduces stress, and helps you to grow into a scalable, sustainable business.

Start up costs

Starting your business from scratch can either cost almost nothing, or tens of thousands of pounds. This depends largely on the industry that you are going into.

A safe bet is to overestimate your start up costs to avoid any surprises. It is also important to plan for any costs you will be incurring on a regular basis.

Claiming expenses

You can claim for expenses, such as utility bills and travel costs, to office equipment.

However, some people try and claim for everything. There are very strict rules on what you can and can't claim for.

Accounting

You will need to pay tax on your earnings, and also make National Insurance Contributions.

If you have a limited company, then you'll also have to pay Corporation Tax.

The best way to take the hassle out of this and enable you to focus on your business is to hire an accountant to ensure you are compliant.

They can also help your business operate as tax efficiently as possible, to prevent you paying more tax than you need to.

We have substantial experience in this area. To see how much you could save, [get in touch for a quote.](#)



Bookkeeping

Bookkeeping is the recording of your day-to-day transactions on a system, such as a spreadsheet or on accounting software.

These transactions are then used as a basis for completing your accounts and tax returns.

We partner a number of different platforms, so we can [recommend the best option](#) for you, depending on your needs.



Marketing your business

Every business needs a marketing strategy in order to launch and develop sustainable, long-term success.

Identify who you are looking to sell to, how they behave, and where they shop. Then, tailor your message so that it reaches the right people. Stay open-minded, too. Sales can come via surprising channels!

So, if you are local painter and decorator for domestic properties, word-of-mouth recommendations are essential. A strong social media presence and level of engagement will also help.

If you work as an insurance broker, then a website which appears high up in the Google search results will help. You may also consider email campaigns, and workshop events.

Building your brand

Your brand is your logo, your typography, your strapline, and the tone of voice your company uses. Beyond that, it is the level of service you offer, the ideals, and the principles that motivate your business. Increasingly, customers buy into a brand as much as they do the product.

Building a brand helps your customers identify you quickly and easily; particularly when they are a returning customer.

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