

BUSINESS START-UP CHECKLIST

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Introduction

If being your own boss is one of your dreams, starting your own business might make your dreams come true; however, any gap between your vision and reality can only be filled with careful planning. As a business owner, you will need to overcome difficulties, achieve goals, and build a profitable business.

This "Start a Business Checklist" is a guide to help you prepare for what it takes to make your dreams into reality.

Identify Your Reasons

As the first and frequently skipped step, ask yourself, why do you want to own your business? Check each of the reasons that apply to you:

- Freedom from the daily work routine of 9-5
- You want to be your own boss.
- Do what you like to do when you want to
- Improve their living standards
- Bored in his present job
- Demand for your product or service, or skills
- Other

A Personal Analysis

Starting a business requires specific personal characteristics. This portion of the list verification is directed at you — the individual. These questions require serious thinking.

Try to be objective

	Yes, I agree	No, I disagree
You consider yourself a good leader.		
You enjoy making your own decisions.		
Consult others when making a decision		
You like to compete.		
You have strong willpower and self-discipline.		
You plan ahead		
You are a people person		

Personal Conditions

When answering the following group of questions, think briefly; it is vitally important to the success of your plan. It Covers the financial, physical, emotional and stress factors when starting a new business.

	Yes/I agree	No/ I disagree
Are you aware that running your own business may require you to work 12-16 hours a day, six days a week, and perhaps Sundays, and you will possibly have no time to go on holiday? If you do, you will be on call?		
Do you have enough physical energy to handle the workload and a busy schedule?		
Do you have enough emotional strength to withstand the stress?		
Are you prepared, if necessary, to temporarily lower your living standards until your business is firmly established?		
Is your family prepared to cope with the stresses they might have to endure?		
Are you ready to lose your savings?		

If most of the answers are "Yes / Agree", you probably have what it takes to run a business. If not, you will most likely have more problems than you can handle.

Personal Skills and Experience

Specific skills and experience are critical to the success of a business. It is unlikely that you possess all the necessary skills and expertise to manage and operate all areas of your business. You will need to hire staff who provide the skills and experience you lack. There are some basic and unique skills you will need for your business.

By answering the following questions, you will identify the skills you possess and those you are missing (your strengths and weaknesses).

List your professional training and business education:
For your business to be successful, what specific skills are needed?

	Yes	No
Do you possess those skills?		
When you hire staff, you can determine if the applicant meets the requirements for the position?		
Have you ever worked in managerial or supervisory positions?		
Have you ever worked in a business like the one you will start?		
If you discover that you do not have the basic skills necessary for your business, are you willing to delay your plans until you have acquired the skills needed?		

Finding Your Niche

Small businesses range in size from manufacturing companies with many employees and millions of pounds in equipment to the person who washes windows with a bucket and a sponge.

The knowledge and skills required for these examples are at opposite extremes, but they have one thing in common for success — each has found its niche in the market and satisfies it.

The most critical problem you will face in your early planning will be finding your niche and determining your idea's feasibility.

"Start the right business at the right time" is the best advice, but following that advice can be difficult. Many entrepreneurs take risks and decide to start their new venture without first sincerely evaluating the potential of failing in their dream.

Before investing time, effort, and money, the following exercise will help you separate and test some ideas from those with a high potential for failure.

Is your business idea viable?

Briefly Identify and describe the business idea you want to start

Identify and describe the product or service you want to sell

Identify and describe the needs your product or service will be satisfying

How will your product or service satisfy your customer's needs?

Will your product or service serve the existing market, and how will you supply the excess demand?

How will your product or service be competitive? (Quality, selection, price, location, etc.)

Market analysis

For a small business to succeed, the owner must know the market. To learn the market, you must analyse it, and it is a process that takes time and effort. It doesn't have to be a person trained in statistics to analyse the market, nor should the analysis cost a fortune.

Analysing the market means gathering the facts about potential customers and thus determining the demand for your products or services. The more information you collect, the better they are the opportunities to capture a market segment. Know the market before investing your time and money in a business adventure.

These questions will help you gather the information to analyse your market and determine if your product or service will sell.

Who are your clients?

What are your client's needs and wants?

Where do they live?

Will you offer the type of products or services that they will buy?

Will your prices be competitive in quality and added value?

What is your promotion plan?

How does your business compare to your competitors?

Planning for the launch of your business

So far, the checklist has helped you identify questions and problems that you will face to turn your idea into reality and determine if your idea is viable. Through self-analysis, you learn about your skills and deficiencies, and through thorough market analysis, you understand if there is demand for your product or service.

The following questions are grouped according to function. They are designed to help you prepare for "Opening Day."

What is your business name?

Do you have your brand assets?

These are the consistent images, sounds, words, shapes, etc., that make it easier for clients to identify the brand. The brand assets are a set of elements that are unique to the business; they make it more familiar and distinguishable from competitors, thus giving the company an edge of exclusivity in the marketplace and the mind of its consumers.

Type of brand assets.

Brand Name

Logo

Tagline

Typography

Typeface

Slogans

Shape

Smell

Celebrities endorsing the brand, etc.

What is the business legal structure?

Sole trader – A person runs the business as an individual under this structure. Although sole traders can keep all the profits after paying tax liabilities, there are some drawbacks:

They would be personally responsible for any losses the business makes (they would have to cover them out of their private money if necessary), pay the company's bills (e.g. stock or equipment), and pay employees' salaries.

Limited company – Under this structure, owners set up an organisation to run their business.

A limited company is a legal entity, e.g., it has legal rights and obligations independent from its owners' rights and responsibilities as individuals.

For example, a limited company can own property; its finances are separate from the owner's. Any profits made after paying corporation tax liability belong to the company. Those profits can be distributed among the business owners.

Limited companies have shareholders, i.e. the owners of the business buy shares in their own business. Shareholders can also be directors in the business. Shareholders' and directors' responsibilities for the company's financial liabilities (such as losses or debts) are limited to the value of their shareholdings, which means they don't have to pay out obligations or tax liabilities out of their income or assets if the company runs into financial difficulties.

There are two main types of limited companies:

Public limited companies. The public limited companies' shares are traded in the stock market, where anyone can buy shares in the company.

Private limited companies. Its shares are not traded in the stock market, and other people can only buy shares in them with the approval of the current owners.

Business partnerships – an arrangement where two or more individuals share the ownership of a business. There are two main types of partnerships:

General partnerships - In a general partnership, all partners are personally responsible for the business; they are liable for any losses or debts with their income or assets if necessary.

Limited partnership – In a limited partnership, partners are not personally liable if the business incurs any losses or debts. The profits generated by a partnership are shared between the partners, and each partner then pays taxes on their share.

Please note: There are a lot of fine details and several possible permutations in the structure of business partnerships, which are essential when setting one up.

We strongly recommend that you seek professional advice before deciding which business structure best suits your business.