Getting the basics right



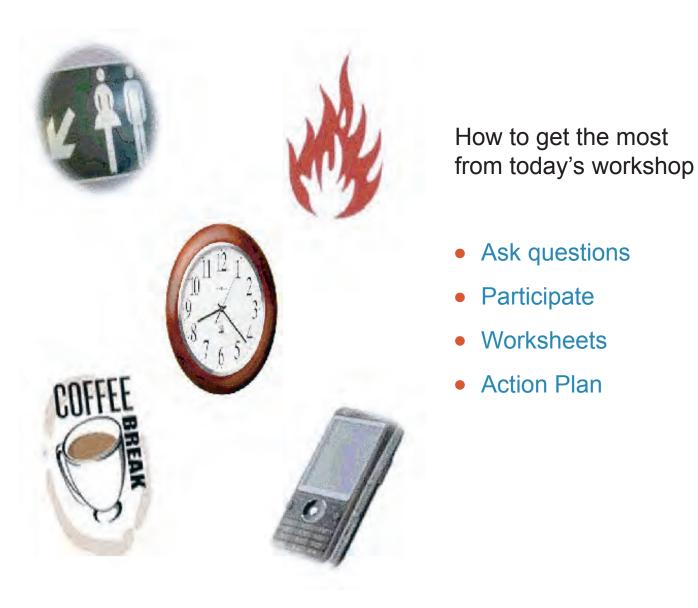


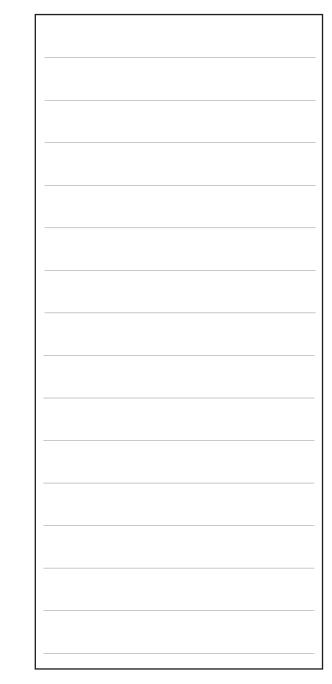




Department for Work and Pensions

For your information

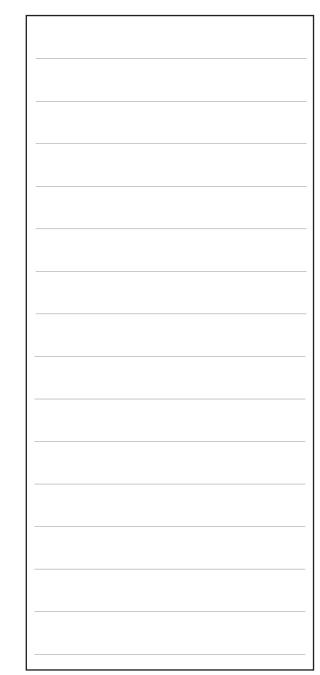




Today's objectives

- To cover all the basics of setting up and running a business, such as your business aims, legalities and employing people
- To help you understand more about your market, audience and opportunity





Key learning points

- Know what you want from your business
- Contents of a business plan
- Your legal status
- Your premises
- Your legal obligations
- Who your target market is
- The 'value' of your product/service
- A clear financial situation



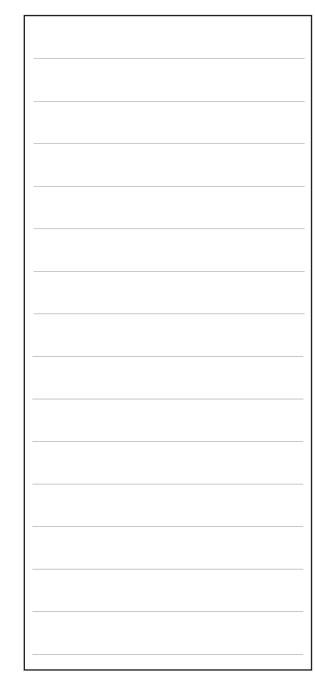
Introductions

- About Youth Enterprise
- 'Starting a Business' journey

Over to you

- Your name
- Nature of your business idea
- Your expectations of today

introduce yourself



What are the aims of your business?

- What do you want your business to give you?
- What is your vision?
- What are your life goals?





Notes

Objectives for your business:

They should be S M A R T:

Specific Measurable Achievable Realistic Time bound

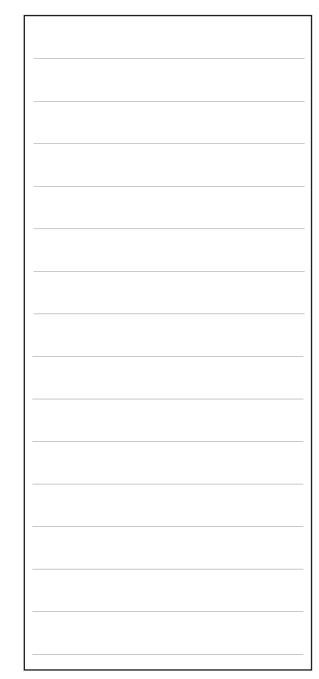
- If you are just starting in business, you should also include your personal objectives.
- These should represent your personal goals and convey your reasons for starting your business.

L		

The business plan

- Why is a business plan important?
- What should it include?
- Youth Enterprise templates



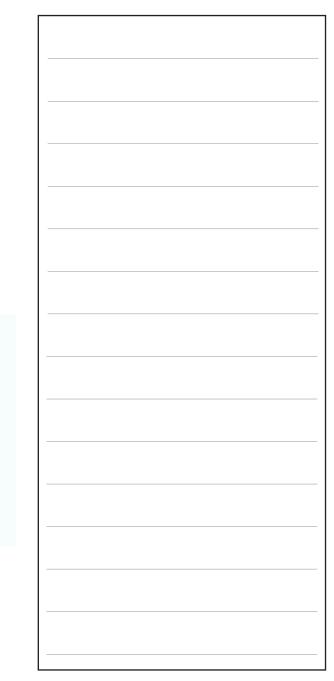


Contents of a business plan - an overview

- Business details
- Business goals
- Key personnel
- Premises
- Suppliers
- Resources

- Legal requirements
- Marketing plan
- Sales
- Financial information
- Personal survival budget
- Executive summary

What business are you really in? What type of business do the following statements suggest? Dedicated to heating • Making more of your environment comfort



What is your target market?

• One well known coffee brand targetted office workers, shoppers, commuters, tourists



 Whilst another brand targeted service stations and supermarkets

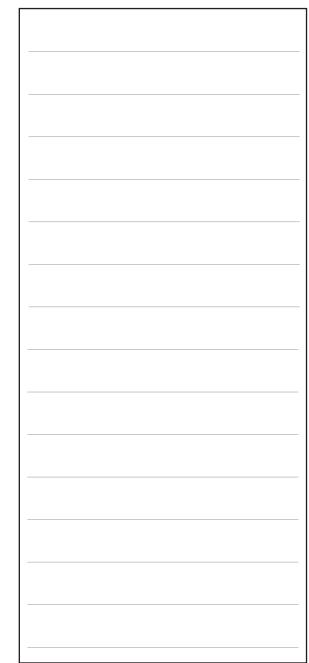


Researching your idea?

What do you need to know about:

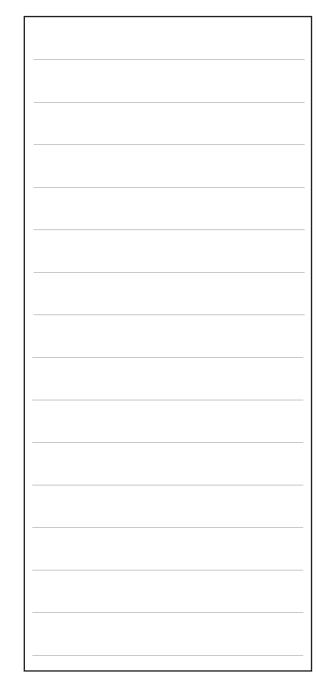
The market place Customers? Competition? Prices?





Your competition

What do you need to research about your competition?



How much do I charge?

Cost-Plus Pricing

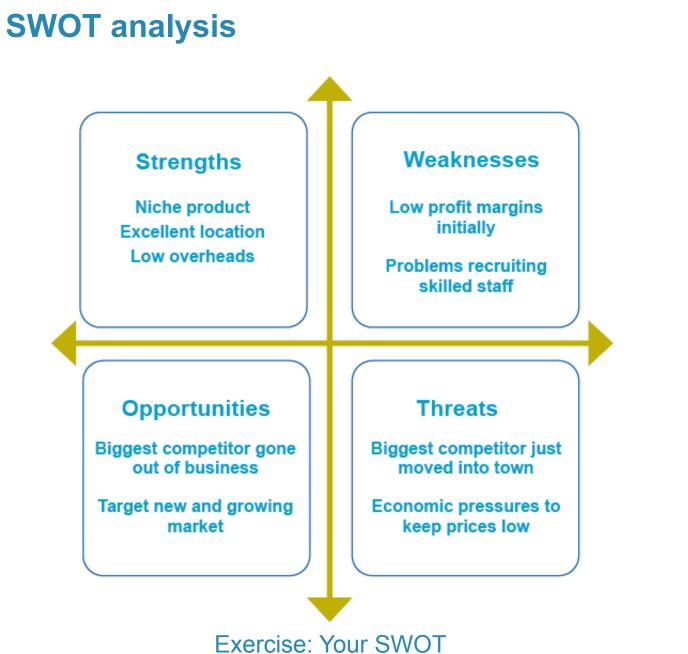
Cost of producing productor service plus amount of profit you need to make Value Based Pricing

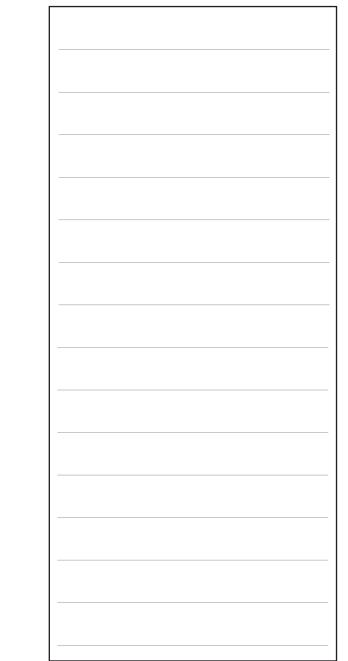
The price you believe customers are willing to pay, based on benefits











The business idea

What exactly will your business do?

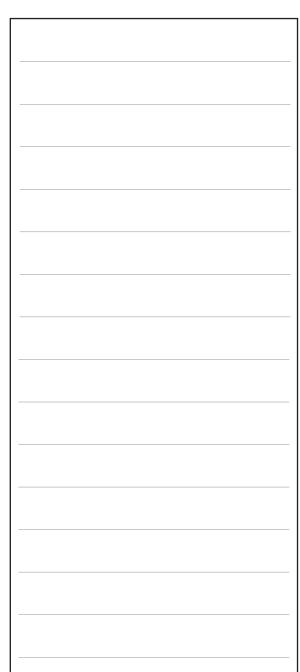
A family restaurant serving good quality, local food at competitive prices in a family environment "

or

"An up-market establishment, serving gourmet dishes to discerning customers in an intimate setting."

Sales

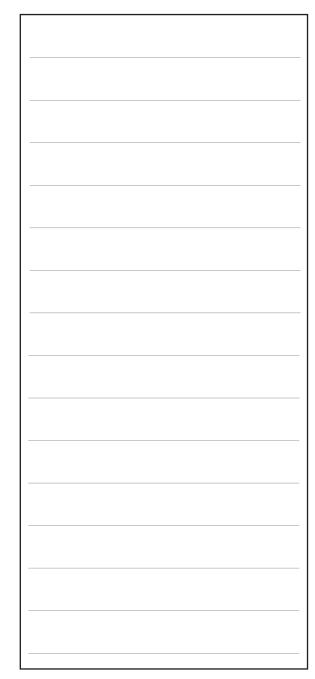
- How will you sell to your customers?
- Key sales points for your product/service.
- Who will be your first customers?
- What assumptions are you using to predict your level of sales?
- Which, if any, customers have already expressed an interest.
- Include forecast sales for the first 12months.



Contents of a business plan - an overview

- Business details
- Business goals
- Key personnel
- Premises
- Suppliers
- Resources

- Distribution
- Legal requirements
- Marketing plan
- Sales
- Financial information
- Executive summary



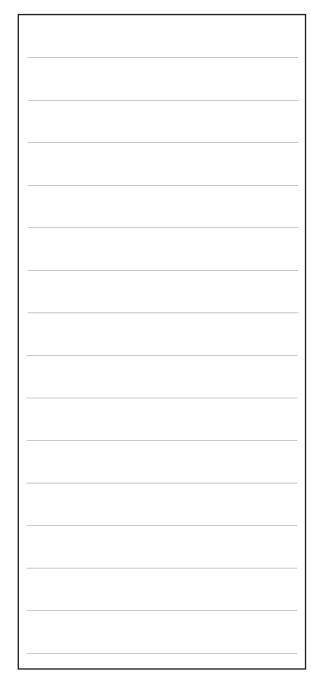
What type of business?

What do you know about any of the following?

- Sole Trader
- Partnership
- Limited Liability Partnership
- Limited Company
- Social Enterprise
- Cooperative



See our worksheet: Type of Business at a glance



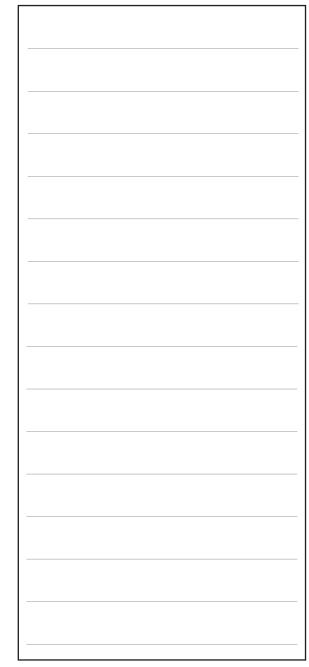
Income Tax, National Insurance Contributions

- Sole Trader
 - your allowable business expenses deducted from your income
 - Class 2 and Class 4 NIC

Partnership

- Assessed for income tax to your personal circumstances
- All partners must pay NI in same way as sole traders
- Limited Company
 - The owner/director takes wages and pays tax and NIC through PAYE
 - The company pays corporation tax on its profits

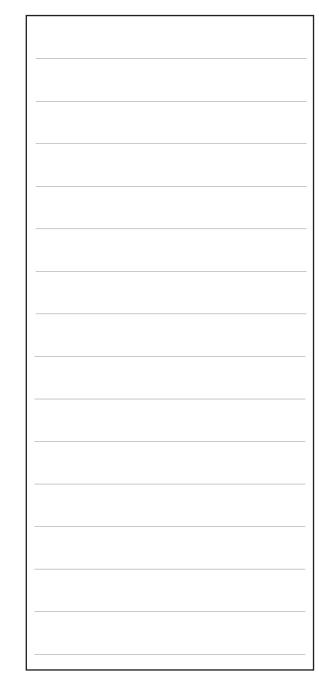
- VAT must register if turnover in any period of up to 12 months exceeds threshold
 - Voluntary registration
 - Can reclaim VAT component
 - Credibility and status
 - Have to charge VAT



Naming your business

What makes a good business name?



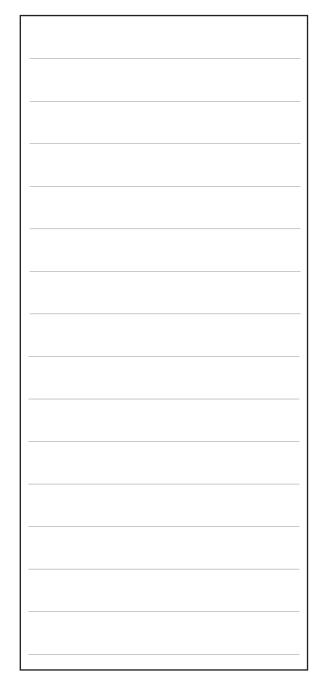


Naming your business - restrictions

Can you think of any legal restrictions?

BRITISH

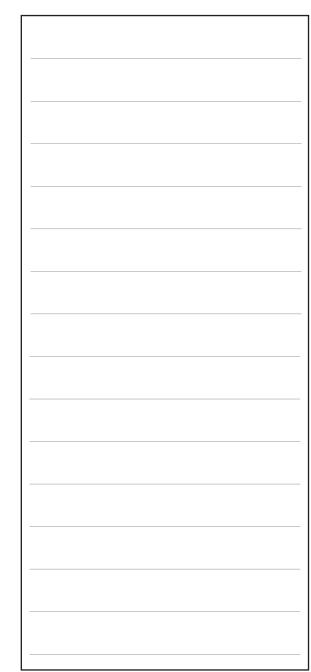
institute



Protecting your intellectual property

- Patent
- Copyright
- Trademark
- Design

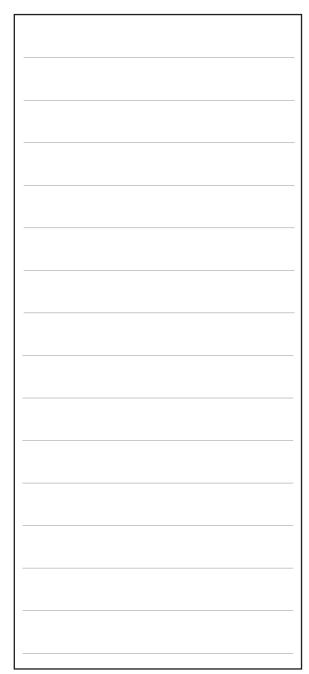




Roles and responsibilities

Assess your own management capabilities and the additional support you will need to be a success

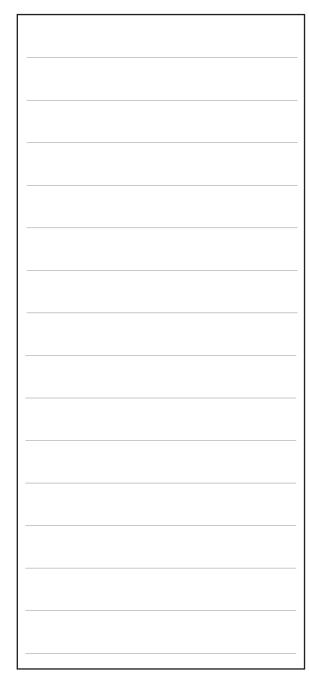
- the team
- organisation
- skills and training
- recruitment



Contents of a business plan - an overview

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- Distribution
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Summary so far

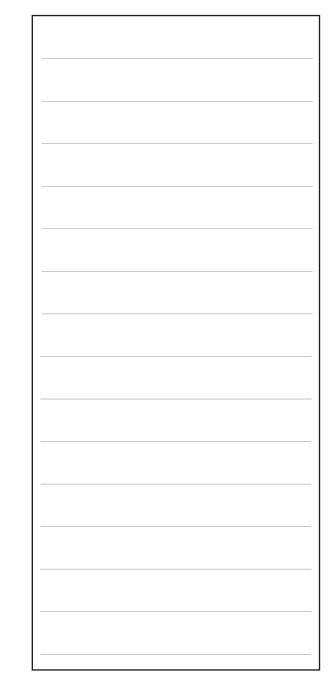
- Setting business goals
- Preparing business plan
- Viability of idea via research
- Legal status of business
- Business name and intellectual issues
- Roles & responsibilities

Marketing Plan

Include some or all of the following:

- the marketing methods.
- the specific action.
- a timetable
- who is going to carry it out.
- the estimated costs
- monitor and review
- handling the response

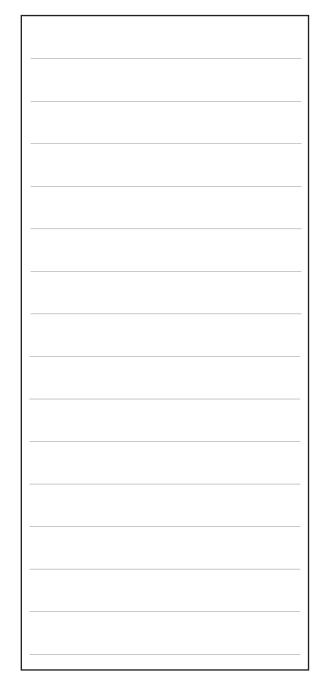
Take your research and make it work for you



Winning sales

- Building life time value
- The Disney principle the experience is something you will remember for ever!
- It costs 5 times more to win new customers than to keep existing ones

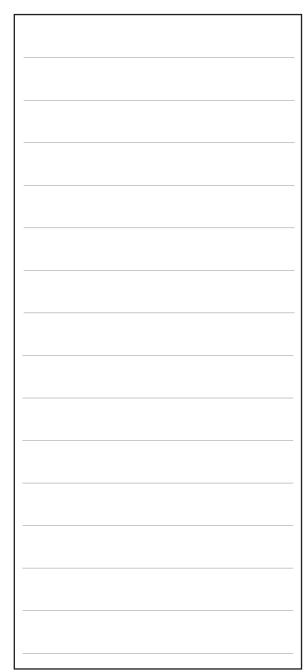




Operations

Outline your plans for the following aspects of your business and estimate the respective costs involved.

- Premises
- Equipment
- Staff suppliers
- Compliance and licensing



Insurance

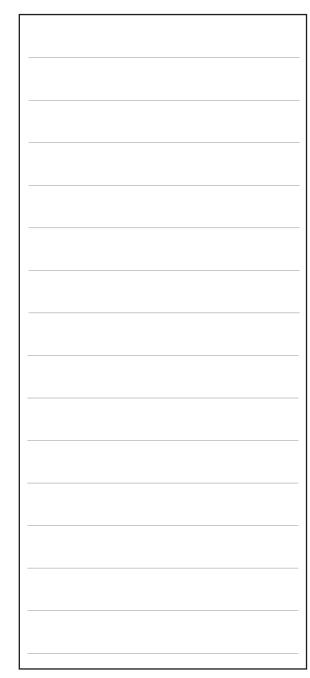
Required by law:

- a) Employers' liability insurance
- b) Motor insurance



Non compulsory:

- a) Professional indemnity
- b) Fire and special perils
- c) Loss of money
- d) Goods in transit
- e) Public liability
- f) Product liability
- g) Legal expenses

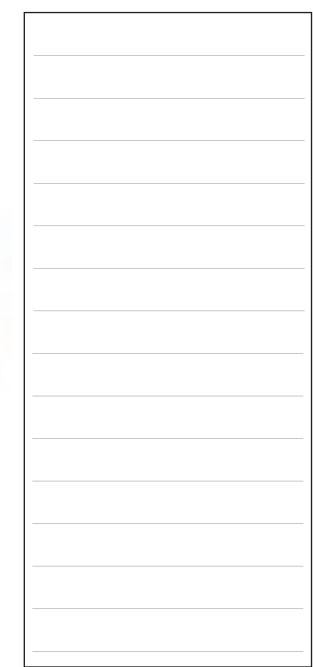


Employing people

Group exercise

Discuss the different employment laws an employer needs to follow

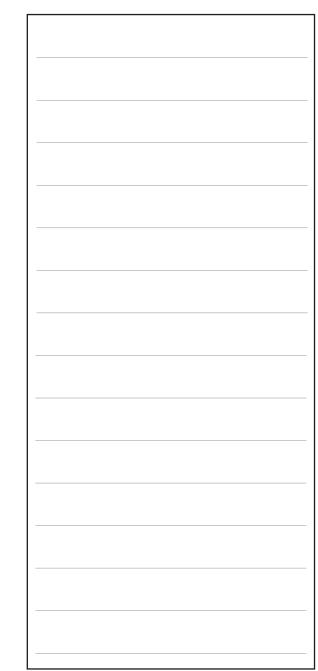




Health and safety

What important health and safety considerations will you need to make in your business?



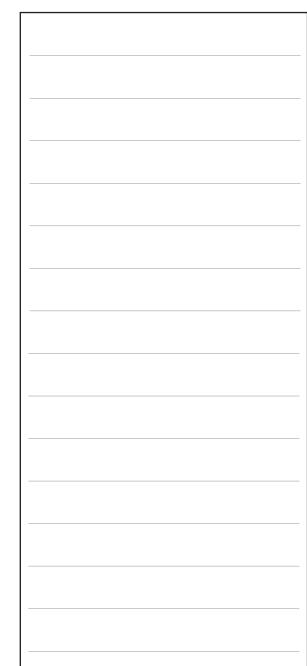


Working from home

Discuss the

- Advantages
- Disadvantages
- What type of person works well from home?



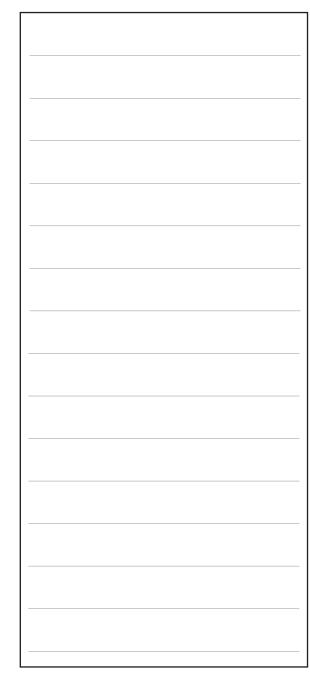


Planning permission

What do you need to do next to help you complete unfinished sections of your business plan?

- Running a business from home – planning permission may be required if it fundamentally alters how the home is used or affects nature of surrounding area e.g. traffic, noise
- Check with building regulations to be sure

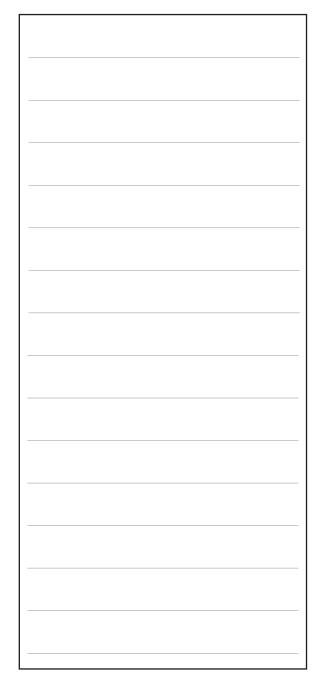




Working from home - responsibilities

- Check with mortgage lender or landlord
- Need extra insurance?
- Do a health and safety risk assessment
- Check your working area has sufficient light, heat and ventilation

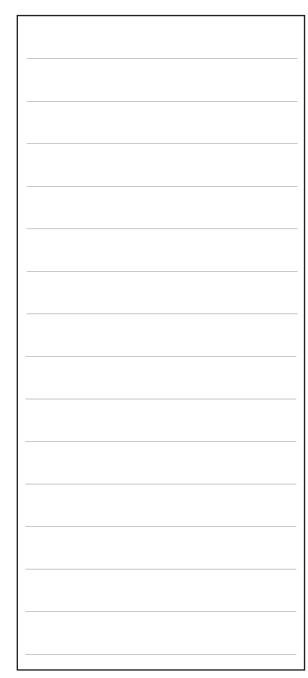
- Planning permission for structural alterations
- Accountant re tax implications e.g. capital gains tax



Premises

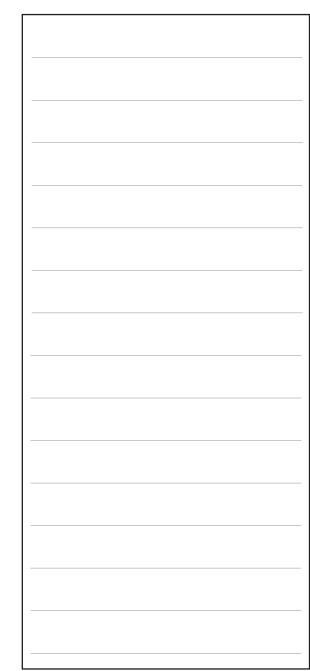


What important things do you need to know before taking on a lease?



Alternatives to having your own premises

Notes



What alternative options can you think of?

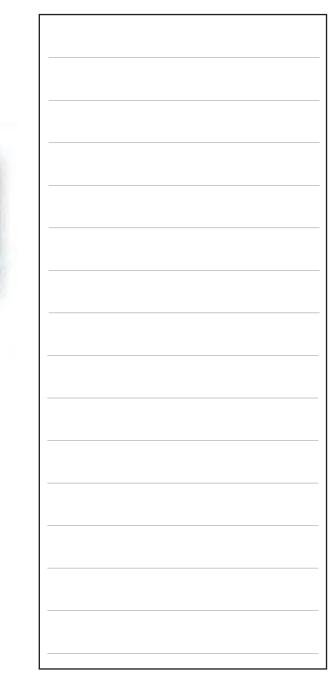


Licenses

Group exercise

Can you think of businesses that require specific licenses to operate?

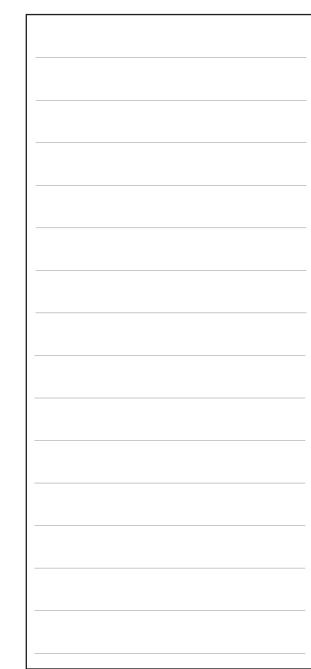




Your business and the environment

- Environment Agency
- Pollution prevention
- Water efficiency
- Flood preparation
- Waste legislation
- Reduce carbon emissions
- Resource efficiency
- Recycling

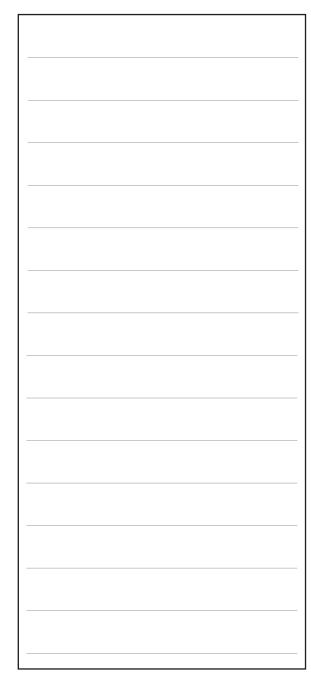






What is the Data Protection Act 1998?

- 1 Fairly & lawfully processed
- 2 Processes for limited purposes
- 3 Adequate, relevant, not excessive
- 4 Accurate
- 5 Not kept longer than necessary
- 6 Processed in accordance with data subject's rights
- 7 Secure
- 8 Cannot be transferred to countries outside of the European Economic Area without adequate protection

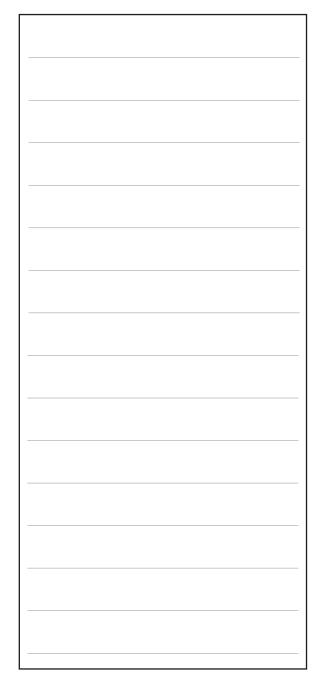


Let's visit the business plan

Business Plan

Take a few minutes to complete/review some of the relevant sections that we may have covered today.

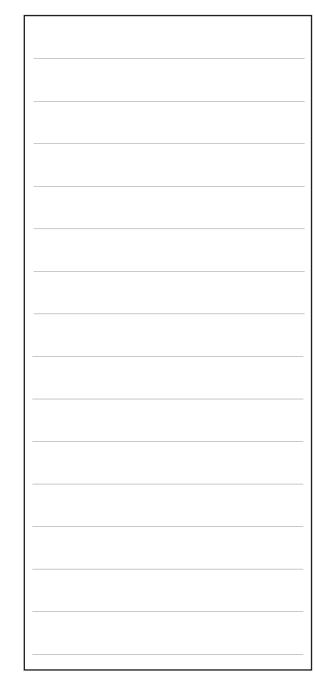




Financial matters

What are the different financial aspects you need to consider in starting, running and growing a business?

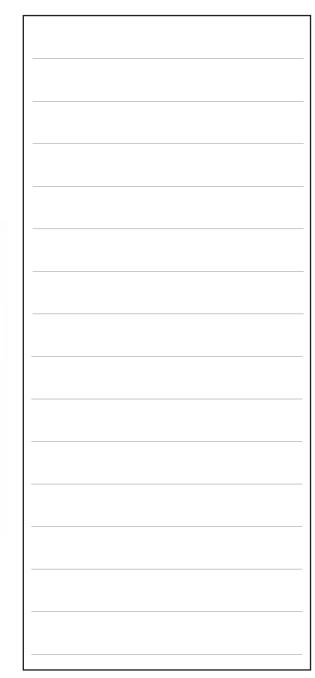




Review key learning points

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- Your legal obligations
- Who your target market is
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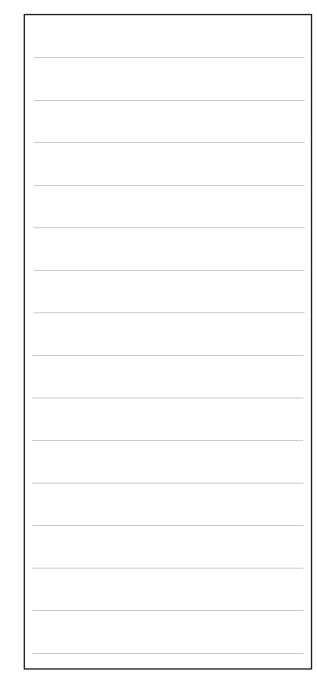




Your action plan

What do you need to do next to help you complete unfinished sections of your business plan?





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