

SETTING UP YOUR OWN BUSINESS

The sooner you are aware of your rights and obligations when setting up your own business, the better. Here's an overview of things to consider before starting.

Local Government requirements

Contact your local council to see if a permit is required to operate your own business from your home.

Local councils may not consider a graphic design or writing business a problem, but if your business attracts numerous clients to your home office, courier pick-up and deliveries at least twice a day, or perhaps a one hundred metre high antenna on your roof, or a semi trailer parked in the front garden, then setting up your own business from home may not be an option.

Registering your business

Find out from the taxation office about any business registration numbers that may be required, and if your country has a goods and service tax, you will need to know about these requirements as well.

You may not need to register a business name to conduct a business, but you may need to if you take out a particular domain name for your website. Find out how much registration costs and how long it takes.

Gathering intelligence

Go to as many networking sessions and business events in your locality as possible. Ask lots of questions to find out how businesses are performing and if there are any gaps in the marketplace that you could fill. This could include visiting local business centres and asking for information about the number and type of businesses in your area.

If your job/business is totally Internet based, search for other like businesses to assess your competition.

Finance and equipment

Finance is usually the biggest restraint and determines when you can start a business. One way to plan for this is to open a bank account while you're still working for someone else and put a set amount into the account every week or month. You could apply to your bank for a loan but if you have never run a business before the manager may not see you as a good risk.

I know of several people who were persuaded to rent computers, printers, scanners, etc. but without a strong cash flow, repayments were difficult if not impossible. There are two ways to do this. Save and purchase equipment outright, or look around for good second-hand stuff. Once the business is bringing in some money you can upgrade and trade in the second hand items.

There can be hidden costs when setting up your own business. Make a list of everything including having a dedicated telephone line run into your home, taking a post office box, broadband Internet connection and ongoing costs, having extra electrical sockets installed in the room you're going to use, furniture, stationery items anything connected with running the business.

Don't forget a budget for marketing to let people know you have started trading.

List all recurring costs and one-off payments, this will give you an idea of how much money you have to make to cover your bills.

Owning and running a one-person business can be fun and a great lifestyle, but it can also be a continuous source of stress.

I believe planning as detailed above will give you a good foundation on which to make the transition to becoming a successful soloist.

About the Author:

Barb is a successful business writer/editor/communicator. She writes in plain language and believes material for print and the web should be clear, concise and user-friendly. Please visit her website at www.barbclews.com to find out more.