

Starting your own business

You have finally taken the decision to start up your own business. That is exciting news. You've got a commercial idea, and investors who believe in you. Success in business depends on many factors. It is important to critically review all aspects of a business proposition and ensure good decisions are made at the outset regarding structure and resources. This article highlights many of the practical points that require consideration before trading begins.

It is advisable to seek appropriate professional advice especially with areas of complexity or difficulty outside your comfort zone. At TOC we aim to be the trusted finance business partner of choice to start-up ventures in the Kerry region. We can help you navigate the legal, fiscal and financial complexities you are sure to encounter on the way.

A business advisor can help you:

- Decide on the most suitable structure for your business - sole trader, partnership, or limited company
- Prepare a business plan, cash-flow projections, budgets and trading forecasts
- Assess your finance requirements, advise on the best sources of finance and draw up the necessary proposals
- Establish good working relationship with your bank
- Complete *any* registration procedures with the Company Registration Office or Revenue and deal with company secretariat matters as they arise
- Set up an accounting system that complies with statutory requirements

We have the skills and experience you need to make a real difference to the development of your business.

Once your business is up and running, we see our role in our partnership as actively:

- Helping you manage and improve the financial health of your business
- Providing services like Payroll and Management Accounting, that you will need as you grow
- Planning your personal investments, pension & taxation

If you are starting a new business, or expanding an existing business, and want to raise finance we can offer some helpful advice and also help you with your loan applications. It is common for loan providers to request financial and cash-flow projections particularly for longer term, higher value loans and especially where your business does not have a trading history.

Before you start your own business you should ask yourself the following questions:

1. Why do you want to start your own business?

Some Advantages:

Making your own decisions

You profit from the success of the enterprise

Flexible working hours

You can do the work you like and pay others to do the work you don't like to do

Some of the disadvantages are:

Irregular income streams

Unexpected setbacks

Longer working hours
You are the person responsible for any losses

2. What product or service are you providing?
3. What is your market for this product or service?
4. Have you earned out market research?
5. Who will your competitors be?
6. How will you provide your product or service?
7. Does your product need to be manufactured? If so then you will need premises.
8. Do you need equipment?
9. Will you need staff?
10. Will you need to raise finance?
11. Who will your customers and suppliers be?

Once you have considered thoroughly the reasons for embarking on your new venture you are in a better position to prepare a formal business plan setting out the detail of your business idea.

Owner-Managed Businesses in Ireland

We represent a diverse client base of owner-managed business including sole traders, partnerships and limited companies and for whom we deliver individually tailored supports and solutions.

Because we offer a complete range of services you can select exactly the service you need at any particular time. Most businesses will avail of our annual accounting service while others will upgrade to our monthly management accounting with performance appraisal and reporting package. Our tax specialists provide compliance and planning services and are always on hand to answer difficult tax questions as they arise. As your business grows and alters direction during various stages of the business cycle additional services will be required. The cost of managing growing staff numbers can be minimized by outsourcing your payroll and HR administration to Paybond, our payroll bureau service. Our business advisory services has vast experience in dealing with businesses who may require detailed business plans and financial projections for banks and equity investors during their start-up and growth phases. We can also help you access the best available advice when it comes to retirement planning and investing. Our sister organization Solutions Recruitment specializes in recruiting and can help you build your team in a strategic way. SR also advises on work permits and citizenship and residency matters. Finally we have a very experienced and qualified Company Secretarial team that can help you with all matters relating to proper corporate governance in Ireland.

Growing the business

When making decisions to expand your business you will be faced with many issues to consider including the following:

- Employing staff

Recruiting the right people at the right level of experience will be essential to the continued success and growth of your business

- Suppliers & Purchasing

It should be possible to re-negotiate your terms with your suppliers as your volumes of trade increase

Stock control

Efficient stock management is a vital component of a growing profitable business. Holding stock ties up valuable cash and incurs costs in warehousing, personnel, transportation and insurance.

Sales and Marketing

Sales and marketing will be an essential element in growing your business.

If you are too small to have your own marketing department here are some elementary ideas for improving your performance.

1. Make sure your products or services are distinguishable from your competitors'
2. Monitor your competitors' marketing activities, and change your own as appropriate
3. Have a marketing plan • and follow it!
4. Aim to provide a regular stream of new customers
5. Respond quickly to customer complaints, investigate the causes and fix the problems
6. When you lose a customer, contact them and find out why
7. Uncover customers' needs. Find out what they really want from your business
8. Keep advertising expenditure within industry norms. Over-advertising smacks of desperation, under-advertise and no-one knows who you are
9. Search for new markets for your products or services
10. Keep your existing customers aware of all you can offer
11. Actively look at new products or services
12. Keep your sales forecasts and statistics up to date and distribute them to appropriate employees
13. Make sure that staff who come into contact with your customers or clients have high morale and present a positive image of your company and products and services
14. Use your remuneration structure to motivate and reward sales people
15. Invest in sales-focused training for your non-marketing staff (show them how they can have an impact on sales)

Evaluate the performance of your sales team and provide training where needed.

Outsourcing

As you grow the business outsourcing non-core operations may be an increasingly attractive option.

Businesses now routinely outsource processes from cleaning to customer enquiries, but typical areas include: payroll functions, human resources (insurance, recruitment etc), marketing, information and IT systems and delivery.

At TOC we provide the benefits of an in-house finance function typical of a medium sized company on an outsourced basis to smaller companies at a fraction of the cost. This is a very good option for start-up companies and early stage growth companies that need access to this expertise but who also need to be careful how they employ scarce resources to grow the business.

Contingency Planning

As your business gets off the ground it is important to have a strategy for dealing with contingencies or disasters that may arise.

Disasters take many forms, including 'natural' causes such as floods or storms, and 'man-made' calamities caused by human error or sabotage. Careful preparation will minimise the impact on your business, so you should act sooner rather than later. Here are some of the areas to consider:

Insurance.

Safety.

IT and information protection.

Hazard avoidance.

Security

Contingency Plans

Emergency routine

Recovery.

Remember that being prepared could make all the difference to the well-being of your staff and the long-term survival of your business. Even if the worst doesn't happen, you will reap the benefits by reducing your vulnerability to everyday risks and improving staff confidence

It is no longer sufficient for organizations to measure just past performance. In recent years there has been a growing awareness that budgeting and forecasting have become a core competency to plan and manage the success of the business.

STRATEGIC PLANNING

At Timothy & O' Connor we can help You

Prepare Business Plan and Cash Flow Forecast

Manage the process of gathering forecast data (budget, revised budget, etc)

Perform data modelling

Manage the budgeting process

Prepare operating budgets and forecasts

Compare forecast data to actual

Carry out "what if" analysis

Simulate alternative scenarios

Enhance profitability

Advise on appropriate business structure and operational plans to achieve business objectives.

Business succession and exit mechanisms

Profit distribution

Employee remuneration and participation schemes

Identify and monitor key performance indicators

Assess business performance

Identify areas to add value and reduce costs

