

# HOW TO START A SMALL BUSINESS



**srj** walkerwayland

# SRJWW

## Growing Business Growing People

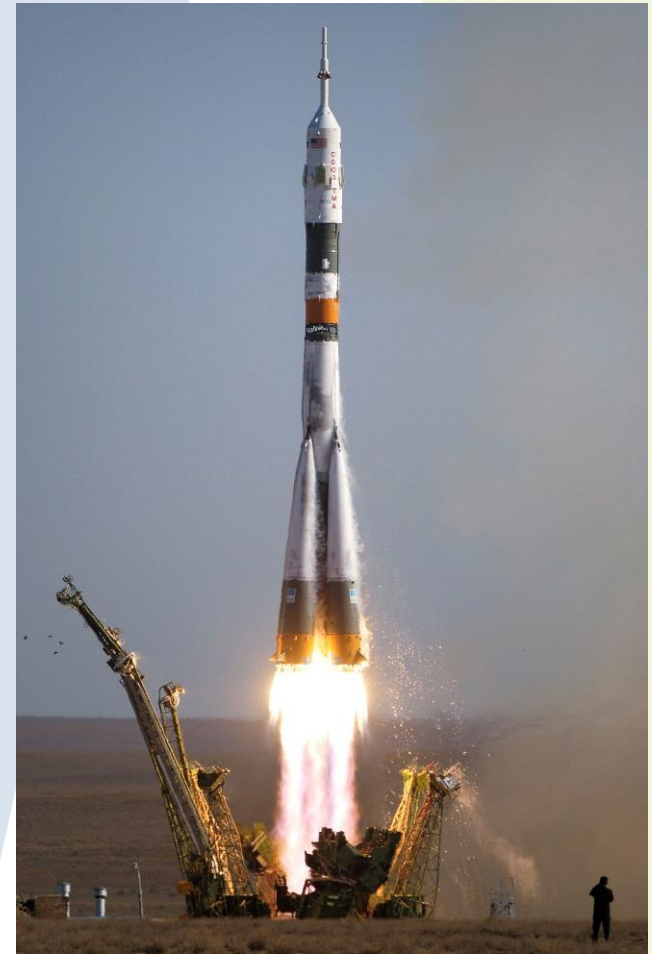
- **About Dianne Brown**

- Chartered Accountant
- Business Advisor
- Education/Training Specialist
- Growth & Profit Improvement
- Strategic Business Planning
- Queensland Business Mentor
- [Dianne.brown@srjww.com.au](mailto:Dianne.brown@srjww.com.au)



# 10 Steps to Start a Small Business

1. Do your research
2. Develop your strategic business plan
3. Determine your business structure
4. Obtain appropriate licenses, registrations and insurance
5. Plan your finances
6. Set up your record keeping and accounting system
7. Know your tax and legal obligations
8. Choose your team
9. Develop your marketing plan
10. LAUNCH!



# 1. Do your Research

- Per ABS data in 2019
  - 355,722 new businesses started
  - 293,260 businesses ceased
  - 2.1 million small businesses
- Up to 60% fail within first 3 years
- How do you make sure your business succeeds?

**RESEARCH + PLANNING**

# 1. Do your Research

## Complete a Feasibility Study

- What is the estimated demand for your product/service?
- Who, where are your customers?
- Who, where are your competitors?
- What are your barriers to entry?
- Determine your Sustainable Competitive Advantage

# 1. Do your Research

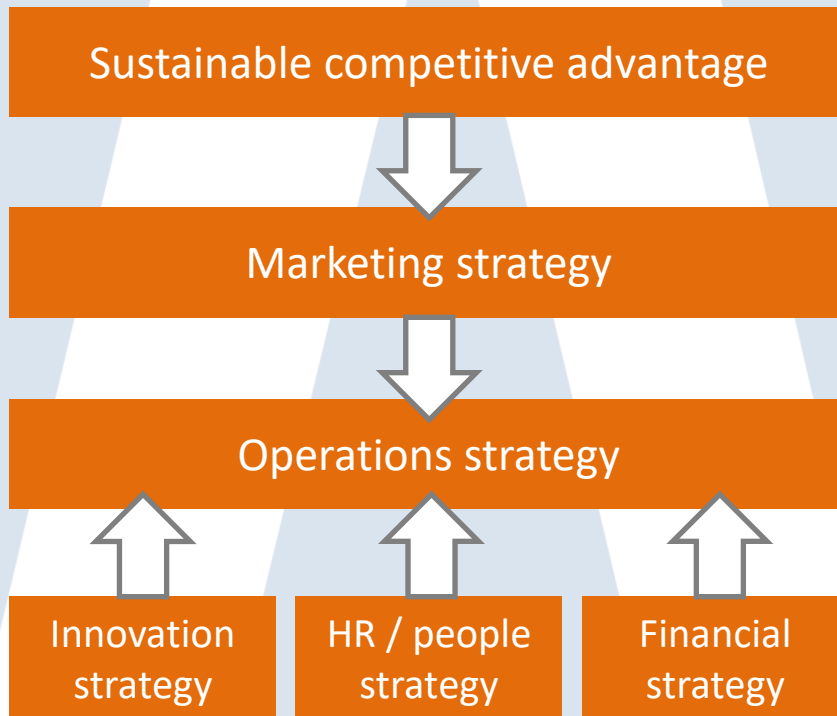
- Industry Research
  - What are the key characteristics of your industry?
  - What is your place within this industry
  - <https://www.business.gov.au/Planning/Templates-and-tools/Industry-factsheets>
- See IBIS World and benchmarking.com as great place to start
- Test the market – focus groups, polls/surveys, trade shows etc

## 2. Develop your Strategic Business Plan

- **What is Strategic Business Planning?**
- Process that provides business direction
- Breaks that direction down into strategies and action items
- Keeps business owners/managers accountable
- Strategic Plan = evolving document
  
- **Why is it important?**
- Business Clarity, Priorities, Actions
- Map to achieve your business goals
- Required for financing (investor + traditional)
- Used to obtain Grant Funding



# Strategic planning model



A clear sustainable competitive advantage is critical for success.

**Why?**

Too often organisations drive strategy with ‘operations’ as the focus first rather than ‘marketing’.

**Why is that a risk?**



## 2. Develop your Strategic Business Plan

- Define your purpose
- Define your product/service – what it does and why
- Clarify your sustainable competitive advantage
- Complete a strategic SWOT analysis
- Develop your path to market
- Define your goals (SMART)
- Develop action plan
- Be Accountable!

# 3. Determine your Business Structure

- Sole Trader (Individual)
- Partnership
- Company
- Discretionary Trust

<https://business.gov.au/planning/business-structures-and-types/business-structures>

## 4. Obtain appropriate Registrations, Licences and Insurance

- ABN and TFN
  - GST if turnover >\$75,000
  - Pay as you go Instalments (PAYGI)
- If employing staff
  - Pay as you go Withholding (PAYGW)
  - Superannuation
  - WH&S
- Business Name Registration
- Consider trade mark registration
- Any other IP considerations
- Domain Name Registration – secures your website address

## 4. Obtain appropriate Registrations, Licences and Insurance

- Obtain appropriate insurance cover (assets, public liability, professional liability, business interruption, product liability, key person etc)
- Industry Specific licences

<https://business.gov.au/registrations/register-licences-and-permits>

## 5. Plan your Finances

- Create a start up budget
- Determine your capital commitment
- Prepare a cash flow forecast for critical first 12 months
- Determine your pricing strategy
- Calculate your break even point
- Identify and monitor financial KPI's

## 6. Set up your Record Keeping and Accounting System

- ATO – 5 years, starting from when record obtained or transaction completed (whichever is the later)
- Preferred electronically
- Set up integrated systems
  - XERO/MYOB etc
  - Customer Relationship Management System (CRM)
  - Receipt Bank
  - Job management/scheduling system
- Develop & Document your systems & processes
  - See IPAM program for WH&S assistance

# 7. Know your tax and legal obligations

- Income Tax – dependent on type of structure
- Pay as you go Instalments
- Pay as you go Withholding
- Superannuation Guarantee Contributions
- Industry Awards
- BAS lodgements – monthly, quarterly or annually
- ASIC requirements

## 8. Choose your Team

- What skill sets do you need to achieve your goals?
- How will you address these skills gaps?
  - Employee v contractor
- How will you develop your own skills?
- Seek help early – Accountants, Mentors, Workshops, Networks



# 9. Develop your Marketing Plan

- Directly related to your business goals
- Define your target market
  - Design your client avatar
  - Why they need your product/service right now!
  - How do you reach them?
- Work within your marketing budget
  - Social media channels direct traffic to your website
  - Track your return on ad spend (ROAS) for google/facebook ads etc
  - LinkedIn, Industry journals, networking, speaking engagements = Proof of Capability

# 10. Launch

- HOW
- WHERE
- WHEN
- WHO



# Resources

1. <https://www.ato.gov.au/Business/Starting-your-own-business/>
2. <https://asic.gov.au/for-business/small-business/starting-a-small-business/>
3. <https://business.gov.au/Planning/Business-plans/Starting-a-business-Checklist>
4. <https://www.ibisworld.com/>
5. <https://www.worksafe.qld.gov.au/services/injury-prevention-and-management-program>

# 10 Steps to Start a Small Business

1. Do your research
2. Develop your strategic business plan
3. Determine your business structure
4. Obtain appropriate licenses, registrations and insurance
5. Plan your finances
6. Set up your record keeping and accounting system
7. Know your tax and legal obligations
8. Choose your team
9. Develop your marketing plan
10. LAUNCH!





Thank you for Tuning in.

**Dianne Brown**

**0404 016 808**

**[Dianne.brown@srjww.com.au](mailto:Dianne.brown@srjww.com.au)**