

Getting Started

Issues to Consider

Operating a small business is not just about working for yourself, it is also about having the necessary management skills, industry expertise, technical skills, finance and of course a long-term vision to grow and succeed. Operating a small business is a big deal and you should spend your time considering the checklist below. Remember - these are only basic issues to *get you started*. You should also consult an experienced business adviser, accountant or bank manager.

Stage 1 - Research Stage

Small Business - Is It You?

It is important that you possess the capability to start a business by having:

- relevant experience in the industry;
- skills and "know-how" to do the work;
- general knowledge of running a small business;
- determination and motivation to make things work for the long term.

Look Before You Leap - Business Viability

- Research the feasibility of your business plan. Look at development costs, management costs, other costs.
- If buying an existing business - request details of the last three years trading figures, break-up of the purchase price (including goodwill), history of the business and owner and the reason for the sale.
- Estimate the two year forecast for sales from the operation of the business.
- Determine **all** costs - fixed and variable (including establishment costs, operating costs, one-off annual costs such as rental bonds, fittings, stamp duty).
- Prepare a cash flow projection.
- Determine your business' break-even point. How do you plan to exceed this?

Show Me the Money - Financial Considerations

- Determine your financial position - ie your assets less liabilities.
- Identify avenues for finance (loan, equity, mortgage existing property).
- Identify benefits and disadvantages of purchasing property versus leasing property versus working from home. What suits you best?

Know Your Market

- Consult people operating in your industry, including your suppliers, competitors, agents, associations and authoritative individuals.
- Find out current trends in the industry and any seasonal fluctuations.
- Find out your industry's and competitors' pricing policy and terms of offer.
- Identify your competitors and determine what they sell, who they sell to and other marketing aspects.
- Identify all possible suppliers for your business.
- Identify your target market. Who are your customers? Where are they? How can you get to them?
- Identify internal and external factors affecting your business proposition. What are your business venture's Strengths, Weaknesses, Opportunities and Threats?
- Develop your Unique Selling Proposition (USP). What is going to make your business **stand out**?
- Know what your business is going to do and what it is not going to do.

Stage 2 - Establishment Stage

Legal Considerations

- Register your business name with the Office of Fair Trading.
- If your business is a company, register your company name with the Australian Securities and Investment Commission.
- Register for an Australian Business Number with the Australian Taxation Office.
- Register for the relevant taxes, including GST and PAYG.
- If you intend to employ, obtain information on awards, superannuation policies, workers compensation, PAYG taxes, as well as other relevant

employment information. Also have a look at [Employment Conditions](#).

- Check on what licences/registrations may be required for your business through the Office of Fair Trading.
- Check with your local council regarding zoning, health regulations and whether you need to lodge a Development Application or Building Application.
- Develop an Intellectual Property Register for logos, trade marks, patents, copyright and designs. Talk to IP Australia for more information.
- Draw up your Will, especially if you are a sole shareholder/director.

Bring in the Dollars - Setting Up Your Finances

- Set up a business bank account (you will need to have your Certificate of Registration of Business Name).
- Discuss your financial position and any loan arrangements with your financial institute.
- Consider credit arrangements (for instance EFTPOS and credit facilities for your customers).

Let the Dice Role - Operating a Business

- Negotiate and sign lease/purchase documentation in consultation with your solicitor.
- Arrange for business insurance, including public liability, vehicle, fire, burglary, professional indemnity and sickness.
- Arrange for connection of utility services, such as electricity, water, telephone and gas.
- Purchase business equipment, fittings and furniture.
- Develop an asset register.
- Order and purchase stationery, tax invoices, letterheads, business cards and record keeping book.
- Arrange for a suitable filing and accounting system.
- Order and purchase trading stock and determine terms of payment, delivery and freight.

Promote Your Business - Marketing Needs

- Determine your advertising and marketing needs with an advertising agency.
- Develop a marketing plan that will not only sell your products, but also promote your business.

Keeping Pace - Other Considerations

- Join a Trade Association/Chamber of Commerce.
- Choose a Power of Attorney for you and/or your partners and draw up a Deed of Transmission.
- Draw up/change your Will to reflect the changes in your circumstances.

What Next?

- Stay up to date with changes in your industry, customer preference and business regulation system.
- Refer to other pages detailing useful contacts, business operation and growth strategies.

Useful Contacts

Please visit our links section on our website for a list of useful contacts.

About this Brochure

This brochure and its contents were provided from the Department of State and Regional Development. www.smallbiz.nsw.gov.au

