



**MAKE BUSINESS
YOUR BUSINESS**

A GUIDE TO

**STARTING
AND DEVELOPING
A NEW BUSINESS**

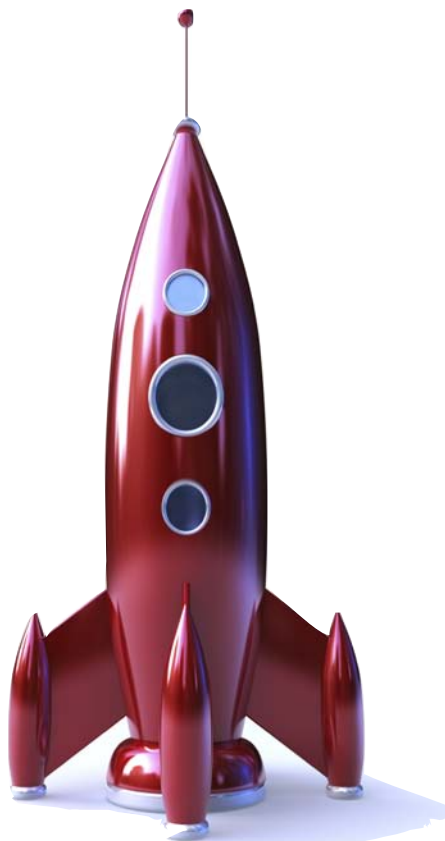


A GREAT TIME TO START!

There has never been a better time to start a business. 2011/12 marked a record high for doing just that; over **450,000** people set up a company and became their own boss. This is your opportunity to join the 4.14 million self-employed people and the 4.5 million small businesses in the UK.

THESE ARE ENTERPRISING TIMES

Students are turning their talent into a way of making a living whilst experienced professionals are opting for the freedom and flexibility that comes with self-employment. Mums are spotting gaps in the market and the over 50's are surging ahead when it comes to launching new ventures. No matter your age or standing, there is potential to turn a passion or skill from your professional or social life into a bright business idea. And by doing so embracing free and low-cost technology that enables you to sell to local markets and reach customers on a global scale.



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Easily said and easily done: 3 good reasons to start a business today:

- 1** *Low start-up costs* – most businesses can now start on a bootstrap of a budget and for less than £100. With a smartphone and business card in hand, you can make sales and set up operations with ease, and from home.
- 2** *Enabling technology* – social media platforms and trading sites offer start-ups a powerful route to market. Selling and promoting yourself online is affordable and achievable and successful businesses are being built on Facebook and promoted via Twitter, YouTube and LinkedIn, selling everything from morph suits to graphic design, financial services and artisan goods.
- 3** *High level of support* – when starting a business, you won't be alone! There is an abundance of support to help you start and grow, including:
 - public and private sector support – assisting with essentials like workspace, guidance and finance
 - corporate brands – who are opening up accelerators and their own retail outlets to help small businesses grow at speed
 - peers – other small business owners are on hand to deliver advice and expert mentoring

With all this on offer, can you resist the urge to become your own boss?! This guide will point you to the help and resources to make this happen and it comes complete with clips of companies who tell their story of success.

SUCCESS STORIES



Head to <http://tinyurl.com/businessinyourstories> to see why and how they started and you could soon be following in their footsteps



STEPS TO STARTING OUT

When starting out in business, there are important things to consider.

Ask yourself – is your idea a sound business proposition? Is there a market and demand for you to make sales and make a profit? Think about the cost and time elements of the business. Are you aiming for something innovative and niche and / or can your product or service match or beat your competition?

You don't need to know the answers immediately; you can make a plan and work on this whilst 'Working 5 to 9' - keeping hold of the day job, being a parent or studying by day and building the business at night and weekends. And you're not alone – there is plenty of guidance and support available to help you bring a business idea to life.

My New Business (www.businesslink.gov.uk/mynewbusiness) is a comprehensive online resource which sets out, stage by stage, practical help for those interested in starting a business. The Start-up Learning Directory is a collection of resources featuring real-life examples, online tutorials, links to relevant websites and e-learning tools to help guide start-ups in key areas like: Developing a business idea; Creating a business plan; Customers, sales and marketing; Choosing the right business model and legal structure; Getting to grips with VAT, tax, IT and PAYE.



4 Top Tips

1 Make a plan – write a business plan that acts as your route map. The best business plans are simple and clear, addressing key areas like:

- Background on you, your team and its capabilities
- Your business idea and a description of your product and/or service
- Market assessment and opportunities for your business
- Costs, pricing and forecasts for sales and profit
- Investment strategy, i.e. what you need investment for and how these funds will be used

Head to tinyurl.com/businesslinkplan for a template.

2 Make noise – get to know the media that cover your industry and/or local area and send them good stories with top quality images. Make the most of social media to become known as an expert in your field and as free marketing. [Peoplefund.it](https://peoplefund.it) is an example of firms using a 'crowdsourcing' platform for individuals to pledge funds and offer feedback and support to get a business project off the ground through sales and marketing.

3 Make sales – target friends and family as customers and branch out from there. Price your product at a rate that's competitive and covers the cost of your time. Make sales at events, through local shops or online via your own website or other powerful sales platforms.

4 Keep the business in balance – try to spend a third of your time across three main activities; business development, customer care and admin. That way, both you and the business will stay in productive and profitable balance!

You don't have to register a company straightaway to be up and running and trading. If and when you do, Government is making it quicker, simpler and cheaper for small businesses to set up and operate. Here are three examples which may benefit you:

- Registering a company is a quick and inexpensive process – for £18 and in less than 24 hours using Companies House web incorporation service.
- Incorporation is only one part of setting up a company and Companies House has added an option to the incorporation service to allow customers to complete registration for Corporation Tax at the same time. Head to www.companieshouse.gov.uk and click 'Start a company'.
- When the time comes to employ and grow the team, **Taking on an employee** (www.businesslink.gov.uk/employ) provides employers with a single point of contact for a seamless and online employment process.



SUPPORT ON OFFER

Whether you are looking for funds or recruiting an experienced helping hand, there's a wide range of support on offer.

Space

The longer term ambition may be to secure a workshop or commercial premises but for now this might not be affordable or desirable as a start-up or a firm in its early stages.

Home-Based Business

Your home may offer you your biggest business resource – join 55% of businesses that start from home and take advantage of reduced costs, no commute and the flexibility that comes with building a business around the family. Find out how to make homeworking work for you by downloading **The Home Business Guide** (www.bis.gov.uk/home-business-guide), which offers guidance on everything from home office layout to trading responsibly when it comes to insurance, business rates and health and safety.



Incubators

If your business outgrows your home or working from home isn't practical, consider incubator space, co-working/enterprise hubs, and accelerators. These offer office and workshop facilities alongside support, advice and peer-to-peer learning to help businesses establish themselves.

Visit www.startupbritain.org/spaces to view the range of spaces and places that accommodate start-ups in your area to spur small business growth.

Here are some examples:

- Wayra | www.wayra.org/en/wayra-uk-2012
- Springboard | www.springboard.com
- Accelerator Academy | www.acceleratoracademy.com

CASE STUDY: RE-JIG

Carol Powell decided to start her business from home so she could be on hand for the family whilst earning a living. Re-jigged is now selling stylish clothing made from unwanted garments all over the UK and is creating employment for local mums too.



http://youtu.be/9qdWG_h8fRQ



FINDING FINANCE

There are several funding options available to help you start or run your business, and several ways to find it.

Try using **Finance Finder** and **Business Finance Explained** to understand and locate funding options and wider business support on offer. www.improve.businesslink.gov.uk/resources
And from June 2012 you can download Finance Finder as a free mobile app by searching for 'BL Support' in the App Store or Google Play.

Business Finance for You (www.businessfinanceforyou.co.uk) enables businesses to identify sources of finance by region, sector or purpose. This is supported by **Better Business Finance** (www.betterbusinessfinance.co.uk) which offers practical help, advice and tips to businesses seeking finance.

Other modest sources of funding are available from sources such as **Shell LiveWIRE** which give up to 4 x £1000 cash awards via the monthly Grand Ideas Awards www.shell-livewire.org/awards

The Institute of Chartered Accountants in England and Wales (ICAEW) and its members provide a Business Advice Service, which offers free advice to businesses in over 2,400 locations across the country. ICAEW accountants can offer guidance on topics from finding finance, dealing with regulation and export planning. www.businessadvice.com

If it's small amounts of credit you're after, microfinance providers like **Community Development Finance Institutions** can offer loans from a few hundred pounds up to £25,000 (www.findingfinance.org.uk).

The StartUp Loan Fund

There is also finance and support available to back young people with bright business ideas. Very often, young people have the drive and ambition to create a business but not the resources to make it happen because of a lack of credit history and track record. **The StartUp Loan Fund** is for those aged 18 to 24, offering loans of around £2,500 plus online training, business support and mentoring as an ideal route to get started in business. www.startuploans.co.uk

START-UP LOANS

The section of Useful Links also provides contacts and organisations which can help young entrepreneurs to realise their enterprise ambition.

You may have heard of 'crowdfunding' or 'peer-to-peer lending' – fast-growing web platforms connecting lenders and investors with businesses that are looking for new and innovative ways to fund their business using quick and easy methods of transaction. There are several emerging players in this market specialising in areas like loans, equity and invoice financing. The **Next Generation Finance Consortium** (www.ngfc.org.uk) is one place where you can search and access these providers.



Finding Funds

Here are some examples of online crowdfunding platforms offering finance to business:

- www.crowdcube.com
- www.fundingcircle.com
- www.growvc.com
- www.Marketinvoice.com
- www.platformblack.com
- www.iwoca.co.uk
- www.seedrs.com
- www.thincats.com

Kamm & Sons, the brand behind a unique ginseng-based alcoholic spirit, has successfully raised capital to ensure the next stage of its expansion. Developed over the last five years by ex-bartender, author and drinks expert Alex Kammerling, the firm has secured funding from 85 'armchair' investors through the equity crowdfunding website, **Crowdcube**. In return for 23% of the business, Kamm & Sons raised £180,000 to fund its expansion plans.

"We initially approached the high street lenders with our business plan in the hope of raising enough capital to move our project forward and grow the business," says Alex. "With banks demanding interest rates of more than 15%, we decided to look elsewhere. Crowdcube offered us a totally unique way to secure the funding we needed. It allowed us to engage with ordinary people who we believe recognise exciting new investment opportunities."



CASE STUDY: BLACK TOMATO

For Tom Marchant and James Merrett, it was a small government-backed loan in 2008 that made the difference to launching their venture, Black Tomato, which has grown 75% year on year.



<http://youtu.be/4NJAOtT3DPo>

Helping hands

Large corporates and other businesses are actively seeking to support small businesses in a range of ways – like offers of space, mentoring and access to customers and capital – because they recognise that firms like yours can be customers for them in the future and the products and services you offer could be solutions to their business needs. Brands like Orange, Boots, Google, John Lewis and many others are running competitions and offering their services and support to entrepreneurs and small start-ups. **Why not search the websites of corporate firms that buy or supply products and services related to your business and see how they might work with a small firm like you?**

The might of millions

Consider accessing start-up funding from private sector projects such as MITIE Millions (www.mitie.com/entrepreneurs_mitie-millions-pitching-event) which has £5 million to invest in companies that have ideas which appeal to the group. Or, the Wayra accelerator (wayra.org/en/wayra-uk-call-2012) which offers capital, space and support to companies with products relevant to 300 million plus Telefonica customers.



Business mentors spend a small amount of valuable time with small firms to provide them with experience and tailored help for their business. **Mentorsme** is an, easy-to-use search engine providing access to around 80 organisations that offer mentor services and 15,000 mentors. Businesses can refine their searches according to the life stage of their business and their location. www.mentorsme.co.uk

Small business managers can gain access to tools to teach them how to use the web to develop their business in areas like marketing, sales and managing back office functions. **Web Fuelled Business** provides this to enable small firms to have global and local reach and increase their productivity. www.businesslink.gov.uk/webfuelled

Doing well by doing good

Have you considered social enterprise as your business model? A social enterprise is a business that trades for a social and/or environmental purpose – and all profits are reinvested towards achieving that social purpose. You may be familiar with household brands like Big Issue and Cafédirect and these are underpinned by thousands of new and well established social enterprises based in all parts of the country.

Or what about a public sector 'spin out'? Mutualisation can give public sector workers the autonomy and control to do what they do best – the freedom to innovate and improve the services that they run by forming their own organisation, often as a small business or social enterprise. **The Mutuels Information Service (MIS)** website gives information on the process and guidance for becoming a mutual.

Interested? See the Useful Contacts section for links to more information.

Beyond Youth (BY) was launched in 2004 and delivers highly successful intensive group-based interventions through their specialist and unique Chance 2 Change project for young offenders and those at risk of offending aged 14-25. The programme reduces reoffending amongst those referred, increases life chances and produces significant cost savings to society. BY increase the emotional intelligence of all those referred to enable them to make better life choices.

BY are developing a franchise model to be rolled out nationally across the prison estate. The long term goal is for Chance 2 Change to be the standard intervention across prisons, youth offending teams and pupil referral units.

www.beyondyouth.org.uk



Search for 'Business in You' and 'Start Up Britain' for more inspiration, information and advice about starting and developing a business.

IMPROVE AND GROW

You are up and running and your focus has been to build up sales, keep in profit and do well. You may also be considering how to develop the business and build for future growth.

The Growth and Improvement Service (www.businesslink.gov.uk/improve) helps businesses with ambitions to improve and grow through straightforward and practical guidance addressing key areas like: finance and improving cash flow; marketing; recruiting and training staff; winning new customers and planning for growth. Firms can then access support and opportunities in specific areas and stages of their development.

Exporting

Some business may be 'born global', in other words created with overseas trading in mind, while others will develop their capacity and domestic business before venturing into export trade. Either way, help is at hand.

Businesses can receive enquiries from potential overseas customers from day one. UK Trade & Investment supports many thousands of companies each year, and has locally-based trade advisers, helping companies to take their first order and start building an international business. www.ukti.gov.uk/export



CASE STUDY: HUDDLE

Alastair Mitchell received help from UKTI to attend a fair in the US that successfully launched his business, Huddle, into a market that now makes up for a significant proportion of company sales. And there are plans to open a Boston office.



<http://youtu.be/jUFoOAU17Bw>



Customers for You

'The Public Sector is Open for Business' – Government spends £230 billion per year across a range of goods and services. The **Contracts Finder** website (www.contractsfinder.businesslink.gov.uk) gives businesses a single place to survey everything on offer from Government and has 97,000 viewings per week.

And from now on, some of the public sector's biggest prime contractors will be using Contracts Finder to post subcontracting opportunities for smaller suppliers.

CASE STUDY: PUBLIC PROCUREMENT

Redfern secured a four-year contract with central government in November 2011 with one of the key factors in their success being Redfern's innovative online delivery approach. Watch this video for the Government's approach to contracting with SMEs.



<http://vimeo.com/38233741>



In good supply

HP is the UK's largest IT company and as part of a small business commitment launched in January 2012, the company has targeted an increase in its use of small business suppliers from 600 to 750 by the end of 2013. To enable this, HP has set up an online registration (www.hp.com/go/supplierdiversity) and will run bootcamp events for approved small business suppliers to network with HP and its customers, offering yet further exposure and opportunities.

Support for Manufacturers

Manufacturing Advisory Service (MAS) (www.mymas.org) can help small and medium-sized manufacturers in England to improve productivity and develop advanced manufacturing capabilities. Your local MAS Advisor can work with you at a strategic level to create business and product strategies, reduce waste and maximise profitability in your own business and in your supply chains. Many of the services are free and supplemented by grant funding.

High growth

Growth Accelerator (www.growthaccelerator.com) is a new programme that is designed to help companies that have the potential for rapid and high growth achieve their ambitions. It will provide coaching that is tailored to the needs of individual businesses (e.g. accessing finance, leadership skills) and it will also connect them with the right networks and other forms of support – for example, business angel investors, incubators or specialist professional advisers.

Business angels are high net worth individuals that invest on their own or as part of a syndicate in growing businesses across all sectors and in all parts of the country. Angels often make their own skills, experience and contacts available to the company alongside their investment. Head to tinyurl.com/businessangelsinfo for more about business angels and where you can find them.

OVER TO YOU!

We hope that you have found this short guide useful. It has been written as part of Lord Young's work to advise the Prime Minister on small business and enterprise. With hard work and dedication, creativity and imagination – and sometimes the benefit of a trusted helping hand – anyone with a good idea can start their own business and become a success. Hopefully you've been inspired to create a business yourself.

Good luck and don't forget that there this a whole range of support out there to help you. We hope this guide can set you on your way.



USEFUL LINKS

The following are just a sample of contacts showcased in this Guide and publicised more widely for you to consider. *StartUp Britain* (www.startupbritain.org) and *Business in You* (www.businessinyou.org) also point to these and many other useful resources, awards and events for start-ups and growing businesses.

Start-up advice, inspiration and support

My New Business | tinyurl.com/mynewbusinessguide

Business in You | www.businessinyou.org

StartUp Britain | www.startupbritain.org

Inspiring the Future | www.inspiringthefuture.org

Support organisations

Prime, supporting mature entrepreneurs | www.prime.org.uk

The Prince's Trust | www.princestrust.org.uk

everywoman | www.everywoman.com

Enterprising Women | www.enterprising-women.org

Women in Rural Enterprise | www.wireuk.org

Mumpreneur UK | www.mumpreneuruk.com

CivyStreet | www.civvystreet.org/betheboss

British Chambers of Commerce | www.britishchambers.org.uk

Tools and guidance

Business Support Finder | www.businesslink.gov.uk/resources/business-support-finder

Taking on an Employee | www.businesslink.gov.uk/resources/tools/taking-employee

Web Fuelled Business | www.businesslink.gov.uk/webfuelled

Companies House | www.companieshouse.gov.uk

Business insurance: the basics | www.businesslink.gov.uk/startinsurance

Skills and development – www.businesslink.gov.uk/skills

Space

StartUp Spaces | www.startupbritain.org/spaces

The Home Business Guide | www.bis.gov.uk/home-business-guide

Finance advice and searches

StartUp Loans to 18-24 year olds | www.startuploans.co.uk

Business Finance Explained & Finance Finder |
www.improve.businesslink.gov.uk/resources

Business Finance For You | www.businessfinanceforyou.co.uk

Better Business Finance | www.betterbusinessfinance.co.uk

Intuit Financial Fitness | www.intuit.co.uk/about/small-business-finance-training.jsp

ICAEW business advice service | www.businessadvice.service.com

Microcredit CDFI loans | www.findingfinance.org.uk

The Next Generation Finance Consortium | www.ngfc.org.uk

British Business Angels Association | www.bbaa.org.uk

Becoming a Business Angel | www.bbaa.org.uk/be-an-angel

Young enterprise

NACUE | www.nacue.org

The Gazelle Group | www.thegazellegroup.com

Enterprise Village | www.enterprisevillage.org.uk

Mentoring

Mentorsme | www.mentorsme.co.uk

Being a Mentor | www.getmentoring.org

Social enterprise and mutuals

Social Enterprise UK | www.socialenterprise.org.uk

Locality | www.locality.org.uk

UnLtd | www.unltd.org.uk

School for Social Entrepreneurs | www.the-sse.org

Big Society Capital | www.bigsocietycapital.com

Mutuals Information Service | www.mutuals.cabinetoffice.gov.uk

The MIS hotline (0845 5390 543) will assess the business needs of fledgling mutuals and provide appropriate expert advice and guidance.

Winning Business and Customers

Contracts Finder | www.contractsfinder.businesslink.gov.uk

HP Supplier Diversity | www.hp.com/go/supplierdiversity

People Fund It | Peoplefund.it

Exporting

Advice for exporting | www.ukti.gov.uk/export

Growth

The Growth and Improvement service | www.businesslink.gov.uk/improve

Growth Accelerator | www.growthaccelerator.com

Key contacts on Twitter

[@BisGovUk](https://twitter.com/BisGovUk)

[@StartUpBritain](https://twitter.com/StartUpBritain)

[@UKTI](https://twitter.com/UKTI)



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