

What to consider when starting your own business

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Before you decide that it is the time to start out in business on your own, what do you need to do to make sure you go about it in the right way from the outset?

Clear plans

Be clear about your plans and what it is you are going in business to do. Clear and structured objectives will ensure that the decision making will be easier along the way and third party advice can be given in a more structured format, tailored to meet your needs.

Research

Research your market place and know your proposition. Understand your customer's needs and what your competitors are offering. Not only will this keep you focused in the early months but it will also assist in securing any funds needed which will have to be backed up by a robust business plan.

Status of business

Once you have done this, you need to decide how you will set up in business – self-employed, sole trader, partnership, limited company, limited liability partnership, limited liability company or buy a franchise or existing business which is up for sale. Taking expert legal advice at this stage is extremely important. For example, setting up and registering a limited company (private or public) needs to be done with expert guidance and a legal advisor should always be consulted.

Setting the business up incorrectly in the first place may come back to haunt you at a later stage should you try and grow your business or merge with another in the future for instance.

To put your business on a proper footing with HM Revenue & Customs and other authorities, you need to make sure that it has the right legal structure. It's worth thinking carefully about which structure best suits the way that you do business, as this will affect:

- the tax and National Insurance that you pay
- the records and accounts that you have to keep
- your financial liability if the business runs into trouble
- the ways your business can raise money
- the way management decisions are made about the business

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Business premises

It is important you choose the right premises for your business. Think about how you will use them and who may need to visit, this will help determine not only where geographically they need to be but the size needed, as to set out with you may be able to work from home and keep unnecessary overheads to a minimum. There are many legal implications to operating from business premises so take advice and know what you are responsible for.

Professional advice

Talk to your bank manager and accountant who will work in conjunction with your legal advisor. Professional bodies are out there to help you and can be a good catalyst to setting up good procedures and business practices from the start. You will know if you have got the right professionals advising you as they will be there after the launch to offer guidance as your business develops and grows.

For Business advice, speak to our specialist Marc Porritt-Allison by telephoning 01904 624185 or emailing law@crombiewilkinson.co.uk

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