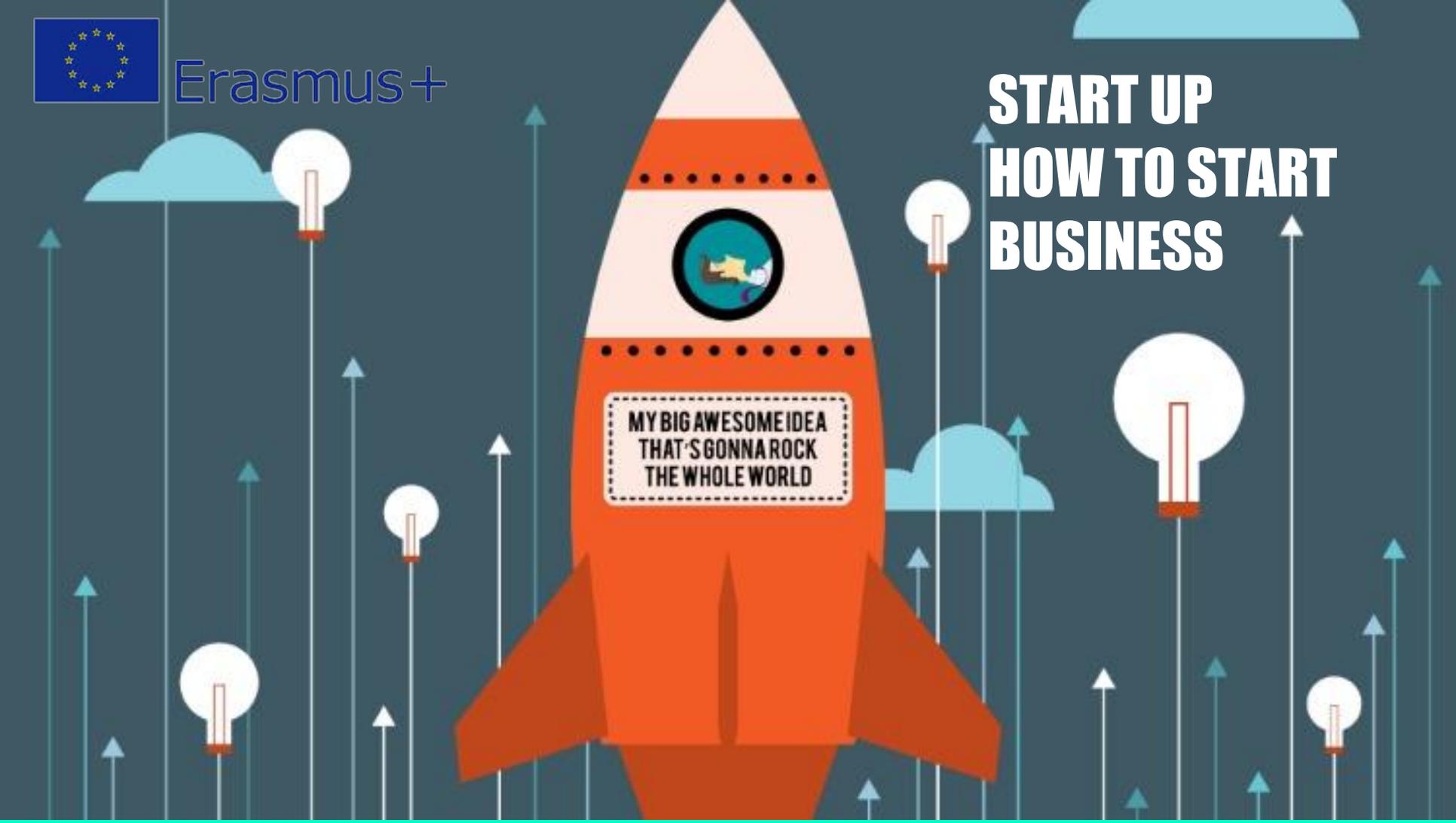




Erasmus+

# START UP HOW TO START BUSINESS

MY BIG AWESOME IDEA  
THAT'S GONNA ROCK  
THE WHOLE WORLD



A startup company or start-up is an entrepreneurial venture or a new business in the form of a company, a partnership or temporary organization designed to search for a repeatable and scalable business model. These companies, generally newly created, are innovation in a process of development.

My job, my passion



# WHAT IS START UP?

START



# THE BEST TIME TO START A BUSINESS



**When?**

# FINDING YOUR WINDOW OF OPPORTUNITY

## The Best Times in Your Life to Start a Business

by Anna Vital



### Just quit your job

Finally you have time to work on your idea

### Just lost everything

great, now you have nothing to lose, so risk big

### Just graduated

You studied enough, now USE what you know

### Just broke up

You got more time for constructive things like business

### Just got hired

Learn everything there is to learn and leave

### Just came into this world

you got more windows of opportunity than the rest of us. Don't waste your time.

### Just died

The window just closed on that one

### Just moved

now that you are in a better place, do better things

### Just life as usual

when life is stable, you can easily focus on one thing -business

### Just got sick

now that you are comfortably lying in bed, you have time to think up a business plan

### Just got fired

They made leaving the job easy for you. Now you have your life back. Get to work

### Just got a laptop

Now you have about all the equipment you need to start a business.

### Just fell in love

Doing business is sexy.

### Just started school

School alone won't get you anywhere, doing things will. Start while you are in school.

### Just got married

You got yourself a co-founder.

### Just got a kid

Now you have someone to be a role model for. Do something great.

# HOW TO START A START-UP



**live in the future,**  
ahead of your time



**what is missing**  
in the world?



**write it down**  
and bounce  
ideas around



make a  
**prototype**



**show** the prototype  
to 100 people



**launch** - let  
everyone know you  
have made something



look for **funding**  
and build version  
one at the same time



register your C-corp,  
split **equity**



find a **co-founder**



**iterate on** the prototype  
until it makes sense



follow up with  
users. Are they  
coming back?

yes, they are  
coming back

no, they came  
and left

**1,000**

get to 1,000 **users**



**grow 5%** a week  
(hard, but proven  
possible)



**keep growing**  
for another 4 years,  
and at that rate you  
will reach  
25 million users



**SUCCESS**

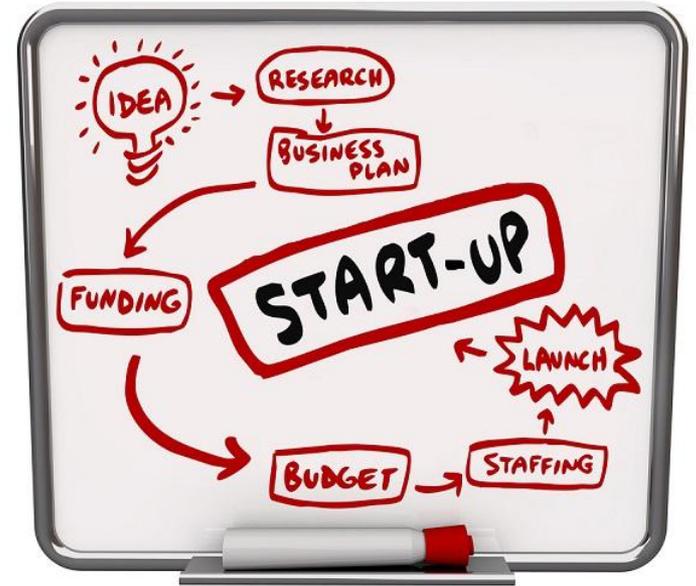


**launch again** (after iterating)  
launch until users  
stay (AirBnB launched 3 times)

A

# 7 THINGS YOU NEED TO DO FIRST

1. Have a good business idea
2. Create a team
3. Market research
4. Examine the different business structures
5. Create a business plan
6. Choose a name and Design a logo
7. Get your finances in order



# HAVE A GOOD BUSINESS IDEA

## Integrate your passion into your business!

Starting a business is not going to be a walk in the park. There will be a ton of things you will need to do before you actually get it going and start making a profit. It will take a lot of time and energy. That's why integrating your passion – what you love doing, into the business would be an enormous benefit for you, if it's possible. If your personal preferences and tastes cannot be monetized in any way, shape or form, then at least make sure that you're an expert in the field in which you want to build your business in. Don't start a business venture just because someone told you that something you know nothing about will bring you lots of money.



# CREATE A TEAM

## You can do anything but not everything – David Allen

For one trying to do too many things could lead one to lose sight of the more important aspect of the business. Instead, the best option is to hire experts who have the necessary skill set to execute the job. Also, having a team of passionate individuals all striving to achieve a common goal is always better than having to work all alone. After all, nothing succeeds like the collective enthusiasm of a team.



# MARKET RESEARCH

## Is my business idea viable?

The first step to make sure that your business idea has legs is to carry out - market research. You need to establish if there is a market for your business, and whether this is big enough to make the venture a success. Many great ideas have been scuppered by a lack of research and this stage should never be overlooked.

To do this, you need to find out as much information as possible about your potential customers:

- How many are there?
- What type of people are they?
- Where do they shop?
- How do they behave?
- How much do they typically earn?
- How often would they buy your product or service?



# EXAMINE THE DIFFERENT BUSINESS STRUCTURES

## Sole trader, partnership, limited company or LLP?

Read up on the different legal business structures you can adopt and decide on the best option for your start-up. Not many new businesses will start life as a limited company; you will most likely need to register as a sole trader or find yourself a business partner.



## Business legal structure checklist

Structure	For	Against
Sole trader	Low cost, easy to set up. Full control retained Very little financial reporting	Full liability for debt. Pay more in tax. Lacks credibility in market
Partnership	The above, but with more heads More potential to raise finance	The above, affecting all partners. Can be messy to wind up
Limited company	Less personal financial exposure. Favourable tax regime. Ability to work for corporate clients	Administrative and regulatory demands heavier. Annual accounts and financial reports must be placed in public domain
Limited liability partnership (LLP)	Flexibility: can be incorporated in members' agreement. Advantages of limited company and partnership combined	Profit taxed as income Partners must disclose income. LLP must start to trade within a year of registration - or be struck off

# CREATE A BUSINESS PLAN

Starting a business without having a business plan is a financial suicide. You need to have at least a basic answer to these questions:

- What is your business activity going to be.
- How are you going to conduct it.
- Where you are you going to find funding.
- How are you going to attract customers.
- How are you going to advertise yourself and more.



# CHOOSE A NAME

When researching business name ideas, start-ups need to think carefully for both legal and marketing purposes. An effective business name could prove to be your most powerful branding tool and naming your business requires a lot of consideration.

There are several tips on choosing a name that can keep you from falling into the 'bad name' trap:

- **Simplicity**
- **Positivity**
- **Singularity**



# DESIGN A LOGO

Your logo has the power to do so much more than simply make your business look professional. It can tell a customer about the industry you serve and the products you sell. A good logo can also convey the personality of your brand, which in turn can build a customer's emotional attachment to your business – important for retaining loyal customers.

1. Your logo needs to tell a customer what you do
2. Your logo should communicate the personality of your business
3. Your logo should represent your name and tag line
4. Your logo should represent the target audience of your business
5. Your logo should promise a level of quality to the customer



# GET YOUR FINANCES IN ORDER

Financial models are important not only for accounting but to help you plan operational activities.

1. **Make it logical** (Avoid the complications and just think about it in a rational way)
2. **Keep it clean and simple** (Make sure you give enough detail of the main levers of your business)
3. **Allow flexibility and NEVER EVER mix inputs with formulas.**
4. **Make sure your model is connected** (Make a model that reflects how things might change if you alter certain variables)



A close-up photograph of a spreadsheet table. A pink highlighter is positioned over the 'Total Value' cell, which contains the number '68.36'. The table has several rows and columns with numerical data. Some cells are highlighted in pink.

0.10	20.0%	10.08	10.56
	20.0%	18.72	10.08
		5.02	18.72
			5.02
	Weight Total		2.178
	Total		56.97
	Total Value		11.39
			68.36



# WHAT BUSINESS SHOULD I START?

**Part-time businesses:** If you want to run a business while keeping up with other commitments, why not start a [part-time business](#)?

**Franchising:** Consider [starting a franchise](#) to run your own business with the training and support of a big-name brand behind you.

**Buying a business:** [Buying an existing business](#) is another popular option that can carry less risk than starting afresh.

**Start-ups you can run from home:** Modern technology means an office environment is no longer necessary – many businesses can be run [entirely from home](#).

**Budget businesses:** Budget-conscious entrepreneurs needn't limit their options; [you can start many businesses for under £10,000](#).

**Popular industries:** Other popular sectors to start a business include [green businesses](#), [service and retail](#) ventures, and [online businesses](#) – check our [business ideas section](#) for many more.

# WHAT SHOULD I DO BEFORE I START A BUSINESS?

**Choose a business structure:** Are you going to be a [sole trader](#), in a [partnership](#), or even start as a [PLC](#)? You will need to decide what [business structure](#) you adopt early on.

**Market research:** Thoroughly [research your market](#) to assess the viability of your business idea.

**Write a killer business plan:** Writing a business plan is essential. Read up on the [12 common elements strong business plans share](#) – make sure you have a clear roadmap before starting out. This is especially important as you may show this business plan to potential investors.

**Think about your branding:** Believe it or not, a [business' name](#), [logo](#) and [business cards](#) can be the difference between failure and success.

**Set up a website:** Learn how to [register a domain name](#) and [build a well-designed website](#) for your business.

**Get your head around your start-up's finances:** Learn how to deal with [bookkeeping and cashflow issues](#) for the first time – you may well need to take on an [accountant](#).

# HOW DO I RAISE FINANCE FOR MY BUSINESS?

**Investigate potential grants:** [Small business grants](#) are extremely useful, but can be difficult to come by.

**Apply for a bank loan:** Although [bank lending](#) to small business is falling, most businesses end up approaching the bank at some point. Read our [step-by-step guide](#) to maximise your chances of approval.

**Get funding from the government:** The government operates various initiatives to help start-ups get off the ground. As a starting point, see whether the government's new [business bank](#) can help you, as well as initiatives such as the [Start-Up Loans scheme](#).

**Ask for help from your friends and family:** It's not hard to see why many entrepreneurs start with personal finance or the assistance of [friends and family](#), but try not to put your house, or anyone else's, on the line.

**Seek investment:** [Angel investors](#) can not only provide funding but valuable mentoring, support and advice to early-stage businesses; be wary of giving away too much equity early on, however.

**Raise finance from the crowd:** If you have an idea that you think will be popular with the masses, peer-to-peer [crowdfunding](#) is enjoying an explosion in popularity.

# HOW DO I SET UP MY BUSINESS?

**Understand the basics for setting up:** Learn how to [set up a company](#) in your country.

**Set up business banking:** Get set up with a [business bank account](#).

**Get equipped:** Think about what equipment you will need to start your business. [Vans](#) are a necessary purchase for many start-ups, especially in the trade sectors, whilst equipment such as [PCs, printers and smartphones](#) are more or less essential, so read our guides to ensure you make the right choice.

**Consider a virtual office:** If you plan to set up a home office, look into whether a [virtual office](#) is right for you.

**Find premises:** If you need external premises, [buying property](#) is a huge step; unless you're absolutely committed, [leased premises](#) or [serviced offices](#) are normally more suitable.

**Location, location, location:** If you're starting a retail business, [location is crucial](#). Make sure you're in the know and have explored all avenues before committing to a property.

# WHAT REGULATIONS AND PRACTICAL ISSUES SHOULD I KNOW?

**Protect your intellectual property:** If you have a technology or ideas-based business, or even a simple company logo, make sure you protect your ideas by [familiarising yourself with intellectual property law](#).

**Understand tax law:** Whether you're in business on your own account or already have employees, [a knowledge of tax law is essential](#).

**Get insurance:** Prepare for the unknown by taking out [business insurance](#), and be aware of the [different insurance types](#) available.

# HOW DO I SOURCE SUPPLIERS AND WHOLESALERS?

**Source the best suppliers:** You can source suppliers at [trade fairs and exhibitions](#) – but before entering into any agreement, ensure you negotiate protection for your business through a [supply contract](#).

**Pick a manufacturer:** If you have a product that needs to be made on a large scale, make sure you know how [choosing a manufacturer](#) for your business' product.

**Look into wholesaling:** Learn [what wholesaling is and whether it can benefit your business](#).

**Consider sourcing from overseas:** Don't forget that overseas suppliers can often be more cost-effective; read our tips on [what to consider when sourcing products from abroad](#).

# HOW DO I RECRUIT A TEAM?

**Ensure the timing is right:** Ask yourself some [key questions](#) before deciding whether the time is right to hire an employee – don't rush into it.

**Write a compelling job description:** [Learn how to write the perfect job description](#) to make sure you attract the best and brightest talent.

**Pose the right questions:** Discover the best questions to ask during an [interview](#) – and [the questions you should never ask](#).

**Investigate employment options:** Read up on the [different employment options for staff](#) – is your business more suitable for permanent employees, part-timers or freelancers?

**Take heed of employment law:** Ignore [employment law](#) at your peril, or your business could find itself confronted with expensive and potentially ruinous legal proceedings.

**Offer training:** Set up your new employees with the tools for success through [training schemes](#).

# HOW DO I BEGIN TO SELL MY PRODUCTS?

**Tell the world what you've got:** You need to know how you will [promote your product](#) and who you will target – learn about the [selling techniques](#) as a starting point.

**Get your product into stores:** If you're targeting retailers, follow our tips on [securing deals with retailers](#) and [getting your product stocked in stores](#).

**Keep up-to-date on e-commerce:** [E-commerce](#) and [selling online](#) are crucial and you should be aware of the ins and outs of internet sales.

**Brush up on selling techniques:** Read our guides on [how to sell](#) to get in-depth advice on the techniques available.

**Tell the world:** Learn how to raise awareness of your brand by [marketing your business](#).

