



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 for 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 3 years trading figures, break-up of the purchase price (including goodwill), history of the business and owner and the reason for sale.
- ✓ Estimate 2 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 – that is 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 competitor’s pricing policy and terms of offer.
- ✓ Identify your competitor 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 the Employment Conditions fact sheet.

- ✓ Check on what licenses/registrations may be required for your business through 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 Roll - 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 partners and draw up a Deed of Transmission.
- ✓ Draw up or change your will to reflect the change in your circumstances.

What Next?

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

For More Information:

Contact your local Business Advisory Service on 1300 650 058 to talk over business management issues or visit the Department of State and Regional Development's Small Business Website at www.smallbiz.nsw.gov.au.