

# ESSENTIAL STEPS TO STARTING YOUR OWN BUSINESS



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# Essential Steps to Starting Your Own Business

For many people, **starting your own business** is the ultimate goal in life. Some will learn a trade or vocation, work for a company for years and then go self-employed.

Others may turn a hobby into a business after doing it for fun for several years, whether it is product or service-based.

Whichever way someone starts a business, it is always a risky move.

Most often, people will go from a steady income to a fluctuating one for some time while in the beginning stages of their business.

However, this should not put you off.

There are many positives to **starting a business**, from doing what you love to the freedom it can give you, from being able to live anywhere in the world to having more time at home with your family.

This article will run through what it means to start your own business, the reasons behind it, and what you should have in place before setting up officially.

## What Does It Mean to Start Your Own Business?

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There are many ways to set up a business; however, most entrepreneurs decide to sell a product or service based on their interests, knowledge or skills.

That can be anything from making products to using **technical skills**, and everything in between.

In the UK, most people become sole traders initially, while they are at a certain level of trade, and then sometimes look towards becoming a private limited company, simply meaning their business and themselves are two separate entities.

Many start a business as a '**side hustle**' to earn extra income alongside their regular job before taking it full-time when they reach a certain income level, often matching their salary.

Some save up for a while before going self-employed, many work part-time to ensure they have a regular income in case business dries up.

There is no right or wrong way to start your own business. Ask 10 different business owners about their journey, and they will all tell you something different.

Service providers often have it easier as they might not need business premises to set up shop. They often **work from home** or join a co-working space to keep their business hours regular.

However, product owners usually have more options.

Many start from their own houses and eventually move to a store when demand increases. You might rely on friends and family to help out to begin with, from packaging orders to finding suppliers.

## Why Would You Want to Start a Business?

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### Freedom

The main reason most business owners initially begin their own businesses is **freedom**.

The freedom to work your hours, the freedom to work from anywhere, and the freedom to plan work around your life and not the other way around.

## Work-Life Balance

Many business owners find it easier to **balance life and work** when they can choose their schedule **flexibly**.

## Interests and Passion

Numerous businesses begin from **passion projects**. Whether they start as a **hobby** or a side hustle, passion is the main ingredient when running a business.

Work is much more enjoyable when you love what you do, and it shows through your products and services too.

Being able to do what you love for a living, may it be something creative or a technical skill you have, means a happier and healthier life too.

## Money

Another reason to set up your own business is for **money**.

You may have suppliers, employees or expenses to pay, but any income made on top of that is yours to keep.

Profit margins can be slim to begin with, but the more you improve on your systems and increase your customer or client base, the more money you will make.

That allows you to invest back into the business, buy new equipment, hire more staff or work with **freelancers**.

## Starting a Business vs Running One

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Setting up your own business is a risk; it can mean an initial investment, unstable income to begin with and uncertainty about the future.

Putting plans in place before launching is an easy way to feel in control and to foreshadow any issues before they happen.

Starting with a professional setup will save you time and money further down the line.

Include as much information as you can think of on a business plan and set yourself **achievable goals** throughout the first year.

A good way to get prepared is to talk to other business owners. No matter how much online research you do, hearing first-hand accounts of how they were set up can give you the vital information you may have missed.

Learn from their mistakes and take inspiration from their business beginnings to know how to set up a successful business.

Industry regulations are often a huge hurdle to jump over, so do the necessary due diligence beforehand.

Permits, contracts and insurance are three key areas for many businesses (amongst others), so ensuring that the requirements are in place before you begin trading will set you off on the right foot.

This is industry-specific as well as area-specific, so research and talk to any experts first.

Building a customer base from scratch is difficult for any new business, whether they are providing a service or selling physical products.

Your brand awareness is the way you will increase your customer base.

Get your business a website and branding, ensure you are on the relevant social media platforms, contact local media to get introductory pieces written about your business, **network** with other local businesses and always keep evolving and trying new things.

Marketing your business is trial and error; some social media platforms come and go, some are not relevant to your audience; therefore, ensure your website is optimized and full of information is your space online.

Hire experts to make it the best it can be.

## How to Start Your Business

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Before you go head-first into your new business venture, it is important to take steps to ensure it will be a success. These steps take time but ultimately save time later down the line.

### Know Your Strengths and Weaknesses

Ideas to start a business are all well and good but do you have the right skill set to run a business?

Not only do you need to have the expertise of making your chosen product or selling a service, but you need more general skills too.

These can include **personality traits**, such as dedication and tenacity, and general business skills, such as marketing and administration.

Most business owners have to become a jack-of-all-trades, to begin with. Not only will you be in charge of sales and product development, you will have control of your accounting, website, social media, stock control, diary management, market research and customer service, and so much more.

Start by listing your strengths and weaknesses in a brain-dump exercise and see if you can turn those weaknesses into positives by expanding your knowledge or learning a new skill.

## **Know Your Market**

Market research is a task that very few business owners enjoy; however, it is a necessity to define your target audience.

For this, you will need to look into your competitors first to see what they are doing, what they offer and how they market their own business.

Write down anything they do successfully and see if you could spin that for your own business.

Note anything that isn't working for them currently, and either avoid doing this yourself or see if you can work it in your favor. Take inspiration but do not copy.

From this research, you might be able to spot a gap in the market for your products or services or target a specific part of your audience.

Next, you need to gather some information from potential customers. When you have zero to begin with, this can be difficult.

Product-based business owners could contact previous customers they have collaborated with, whether they were paying customers or receiving a sample.

Perhaps you have set yourself up on social media as a side hustle initially; therefore, ask people who follow you for their opinions.

Service-based owners have often undertaken voluntary work to grow their portfolio for their skills so ask for feedback from businesses you've worked with and use that to form your business.

You can even add testimonials from previous clients on your website.

## **Make a Business Plan**

All successful businesses start with a thorough plan.

You will need it to secure funding from banks, charities or investors.

A business plan will give you a clear step-by-step guide for:

- How your business will run
- Where you want your business to be in 10 years time
- Any legal provisions you might need to set up
- How will you market your business? A website and social media are good places to start; however, can you market any other ways?

Perhaps you have local newspapers and magazines that are supportive of local businesses?

There are many templates online to help you through it; however, there is also other help available.



Many local councils offer support for local businesses, as well as online courses to help you set up a plan.

Speak to anyone you know who has set up their own business and see if they can offer you any guidance.

Even if you don't feel you need a business plan because you have no need for investment or support, it is still a good idea to have a plan on paper.



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## Consider the Legal Stuff

If you are in the UK, will you operate as a sole trader or a private limited company?

Do you need to register for self-assessment tax or with Companies House as an LTD?

Do you need business insurance if you have separate premises for your home, or will you

have clients round to your house?

In the US, there are similarities to the UK structure. A sole trader is unlimited personal liability, meaning that you and your business are one.

You can choose to separate the two by forming a limited liability company (LLC) or corporation.

As a sole trader, you will only pay personal tax. With an LLC or corporation, you will also pay self-employment tax on top of that or corporate tax.

Each state has different licenses and permits that you may require; therefore, you may have to register with local, state and federal agencies.

Some industries are more regulated than others; therefore, it is vital to do all of this research before you form a business.

## **Secure Funding**

Starting a business often means high upfront costs. From machinery and equipment to product ranges, the expenses start to rack up before you have even sold a single product or service.

Self-funding is the primary way that people start up their businesses.

Most save while working part-time or full-time for them to become self-employed further down the line. If your business requires significant initial funds, you may need to look to external sources.

In the UK, there are **schemes** across the country to help give small businesses the funds they need to set up their business.

From grants and loans to equity, these tend to be regional branches. Many of these schemes offer advice and support, too, ideal for someone with zero business experience.

There are also national charities, such as The Prince's Trust, specifically set up to help young people launch their businesses.

They offer low-interest loans and help set up payment plans so you can find your feet and help your business become a success.

In the US, the government's [Small Business Administration](#) offers help and advice when it comes to funding.

They work with investors to offer loans, grants and venture capital to help start your business.

While they do not offer to fund themselves, they work alongside banks to be a guarantor for business loans if you're unable to secure one alone.

## **Run a Limited Test of Your Business Idea**

Having a test run for your business means you can sort out any problems before fully launching.

Soft launches are a great way to test out products and services without any pressure to make lots of money.

Enlist family, friends and colleagues or use your personal social media profiles to build interest.

For product-based businesses, you could offer smaller samples (for free or a discounted

price) for honest feedback on the entire process.

Does the product itself need tweaking? How fast was the delivery or service?

Try to get as much information from a variety of people as you can.

Explain to those customers that you are in the process of setting up the business and would be grateful for the feedback.

For service-based businesses, see if you can offer your services to people you know.

This is a great way to define if you will need to create set packages or go down the bespoke route.

You will learn how to communicate with a potential lead, discuss the work between you, consolidate it into a proper contract and see what it's like to serve a client.

You may be able to use these trial runs in exchange for testimonials on your website.

Following market research and test runs, you should have gathered as much information from potential clients or customers to make any changes.

Whether it's the process of how you communicate to the product or service range, any feedback is invaluable.

Spend the time to make these changes, while you have the time before you officially launch.

## **Establish Your Branding and an Online Presence**

Now you have your plan in place, it is time to start implementing it.

Two of the most important features you will need are a **website** and a **brand**.

**Branding** covers everything from logos and color schemes to your business values and tone of voice.

Being a small business owner can be an advantage when branding as you can be the face of the brand. More customers are buying from smaller, more local businesses and showing who you are and what you do can increase your audience and income.

As humans, we love stories; therefore, why not incorporate your journey into business ownership as part of your branding?

Ensure that your branding is consistent over your entire online presence so people can immediately identify your business.

An **online presence** means a website and social media need to work hand in hand.

Many small businesses start on social media; however, you would lose everything if that platform was to suddenly disappear overnight. So, a website is your space online to provide information and value, share your story and engage with your customers or clients.

While you can set everything up yourself, it could be worth hiring someone to do it professionally. It can be an initial investment but gives you a unique and cohesive look both online and offline.

## **Just Start**

No matter how much planning you do or how **organized** you are, you will forget something;

it's just a part of running a business.

For the most part, it is an easy fix, provided you've created your business plan and done as much research as you could.

The beginning of your business journey is like nothing else; therefore, make sure you enjoy it.

Product-based businesses should keep trying new things and evolving their ranges to reach new audiences.

Similarly, service-based businesses should always be trying to acquire new skills and produce new packages to expand their portfolios.

As a business owner, you never stop learning.

## Top Tips for Starting a Business From Scratch

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- **Listen to any advice** – It might not always be nice to hear; however, **criticism** is crucial for improving your business. Absorb everything and see if it will help you move your business forward.
- **Make sure you're doing what you love** – For your business to be a success, it has to be something you are passionate about. It will require long hours initially; therefore, you must be enjoyable for the most part.
- **Write everything down** – It is important to track everything as a small business, including social media followings, income, expenses, your most popular products or services, and much more. You will be able to look back after so many months and see the progress.

- **Find your tribe** – Starting your own business can be a lonely process, especially if none of your friends and family have gone through it before. Chat to other business owners online, where you live or around your premises. You might even get a chance to collaborate with them at some point.
- **Learn from your mistakes** – You will make mistakes during the first months and year of trading; in fact, even the biggest companies in the world make errors. The solution is to learn from them, fix the issue and move on.
- **Speak up about your business** – Tell everyone about what you do! Whether that's chatting to loved ones and asking for support to sharing your business journey on social media, building a business is something to be proud of.

## Final Thoughts

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Starting a business is a difficult but rewarding achievement. Initially, it will require extra hours and money to set up; however, the further into your business journey, it will pay off.

Seek support from fellow business owners, ask for help if you need it and be proud of your accomplishments.

Keep evolving and trying new things for your business and it will be a success.