

# Small Business Start-up Guide

 Simply Business™

Starting a business or setting yourself up as self-employed is a brave step. To succeed you'll need to have a plan and yet putting one together can be daunting.

This guide offers a collection of articles written specifically to help people who are thinking about starting a business or those who are in the process of doing so.

It covers the steps involved with setting the business up, writing a business plan, business structure and finance, insurance, marketing and lots of other useful information. At the very least it will give you the starting blocks from which you could build a successful business.

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## Overcoming your fears about starting a business

It is often the case that people who have a fantastic idea or a dream they wish to fulfil are so scared of failure that they do not even try to make it become a reality. Starting a business is one of those dreams which for many people never comes true thanks to these fears.

The fear associated with starting a business is not irrational like a phobia. In fact, it is very rational thoughts such as 'What if I lose all my money' or 'What if my family won't support me' that can put a stop to the development of even the best business ideas.

However the most successful entrepreneurs in the world are not afraid to take a risk if they believe an idea will work. It is gaining this confidence - backed by a good business plan - that will help you clear your mental hurdles and cross the starting line to success.

Confidence can only come by identifying areas of anxiety and addressing them one by one.

### Losing sight of your objectives

When you get bogged down with thinking about the obstacles to setting up your business, you can lose sight of why you started it in the first place. Re-focusing on your original objectives and working on a business plan will help you to work through your worries.

According to Associated Content, one of the best ways of rectifying this situation is to sit down and outline, not only the reasons behind starting the business, but also individual long-term and short-term objectives; if an objective can be written down, then it is possible to achieve it.

"Fears can arise out of nothing more than a loss of focus. If you find yourself bogged down in the tiny details of starting a business ... take a minute to remember why you're venturing into the business world," said Associated Content. "Often, renewing your passion for the business will give you a second wind and chase those pesky fears away."

### Get the job done and don't make excuses

Another potential source of fear is the endless list of unfinished tasks and the list of those that have not yet been started. These are a recipe, not only for unhappiness, but also for a sense of failure that can be paralysing.

Associated Content recommends that it is far healthier to make the effort and complete at least a few of these tasks - especially if they are the ones you've been dreading. This not only helps you towards achieving your goals, but generates a positive sense of success that can provide the necessary fuel to go on to other successes.

Whoever said that success generates success is probably right. On a related point, the sense of inertia when it comes to completing lists of tasks can compound a tendency to make excuses. So, if this is indeed the case, stop. If budgeting is not one of your strengths, do something about it and get some training. The more you know about a business area the less scary it looks on your task list.

### Legitimise your worries

Excuses don't help anyone overcome their fears about starting a business, they simply make matters worse. Don't indulge the "what ifs", fight them. Instead of pushing them to the back of the mind or simply dismissing them as silly worries, a more sensible course of action would be to actively address them. You won't always know if they are false concerns or legitimate worries unless they are properly examined.

And where concerns are identified as legitimate, refer back to the previous two points and stop making excuses, just get the job done. If it becomes apparent that you'll need help, don't be afraid to ask for it.

"Failure can be uncomfortable and unpleasant, but is not life-threatening. And failure is always an opportunity of one kind or another - an opportunity to stretch beyond our usual boundaries, to learn something valuable, or to make previously undreamed-of connections," said Susan Ward, in a report by About.com.

In conclusion, the only real way to overcome your fears of becoming a small business owner is to address them, realise them for what they are and then adopt practical steps towards overcoming them. When concerns are viewed in the cold light of day, they are often not nearly as insurmountable as they first appear.

## First steps towards starting your business

Starting up as an entrepreneur can be an exciting experience where you will be able to pursue long-held aspirations and be your own boss. But before taking that first step, there are a few things to bear in mind and much preparation should be made before taking that leap into the great unknown.

"Starting a new business is both exciting and rewarding, but it is also full of challenges. The level of commitment that you will need should not be underestimated," says Business Link. "The success of your business will partly depend on your attitude and skills. This means being honest about a range of issues - your knowledge, your financial status and the personal qualities that you can bring to your new business."

### Step one - making sure it's really the right thing to do

Before giving up the day job and the company perks and blowing your life's savings, it's worth having a long hard think about whether or not starting up on your own is really the right thing to do.

Business Link outlines a number of areas that should be considered, the most significant of which is the financial insecurity that starting up in business can cause. In addition to having to dip into savings, it may be necessary to use your home as collateral against a loan. There is also the chance that holidays might have to be abandoned during the early years of the business. And the perks given from a previous employer - such as a pension, sick pay, holiday with pay - will all become a thing of the past.

Financial insecurity on this basis can lead to increased pressure on personal relationships. So before starting on the road to self-employment, it is worth checking that the most important people in your life are prepared to travel down that road with you.

### Step two - having what it takes

The second stage of the process is to ensure you have the right skills and qualities needed to make a success of the business.

Business Link highlights research showing that the most successful individuals in the world of business possess a number of core qualities, including self-confidence, sound judgement, open-mindedness, commitment for when the times get tough and the ability to be resourceful and show initiative.

And in addition to these qualities, it is also important to have a number of business-related skills so it is worth considering which ones you do or do not have before committing to the entrepreneurial process. Some of the questions you should be asked could perhaps include "how good are my financial management skills?"; "can I manage people?"; "what marketing skills do I possess?" and "what are my sales skills?"

Many of these business skills can be learnt but only if you also have a deep understanding and knowledge of the industry you wish to enter. Once you are sure you have what it takes to run a successful business, you can move on to the third stage of the process.

### Step three - market research (or 'will you make any money')

In order for your business to succeed it must be viable financially and there must be a market for whatever the business will be selling, whether it's a service or product.

There are many different ways in which market research can be conducted, including informal chats with family members or friends, speaking to contacts, polling consumers who purchase competitor's products and even consulting demographic and economic data.

The research does not need to cost a substantial amount of money, but it does need to be done. "A common misconception is that entrepreneurs who fail simply lacked sufficient funding or did not put the right team in place. In many cases new businesses fail because they have not spent enough time on researching their business idea and its viability in the market," said Business Link.

#### **Step four - finding the funding**

If, after taking all of these other things into account, starting a business still seems like the right thing to do, the next step is to consider how you will fund it.

Do you have savings that can be invested and if this won't be enough, how much money will you need to borrow as a way of financing the venture? Drawing up a detailed financial plan will help you to find the best solution.

Above all, it is important to realise that a business is not going to be a financial hit in the short term and managing cash flow is vital. For businesses that are paid via invoicing, keeping control of cash flow could be as simple as taking out a Factoring facility. Less risky and expensive than long term debt, Factoring ensures that you always have the money you are owed up front.

There are many things which will claim a slice of your finances, including essential items such as business insurance. Make a list of these upfront so that you'll know how much start-up funding will be needed and then what you expect your monthly expenses to be.

Business loans are few and far between right now so making sure there finance is there before any new venture is launched is a priority.

There are many more steps to be taken on the road to starting a business once these four initial stages have been accomplished and you are sure of the way forward. But the first ones are usually the most important and should not be avoided.

## How to start a retail business

Starting up in business can be both demanding and rewarding, and for those looking to establish themselves in the world of retail the choice can present unique challenges. There is the initial decision over whether to establish the business as either a bricks-and-mortar operation, or whether to go completely online. Then there is of course the competition - the retail sector is tough and it is worth bearing in mind that any business no matter how unique is going to have to compete, not just with similar retailers but with a wide variety of different shops for the consumer spend.

### Is the retail sector right for me?

Sit yourself down and consider if retail is really the type of business for you, because it is important to be committed. As many of the larger high street chains are proving at the moment, business is tough and with consumers tightening their belts there is less spending money to go around.

Owning a shop is also hard work. If you decide to run a high street outlet you must ideally work in the shop yourself to get to know the business from the bottom up. This leaves less time for other important tasks like managing the finances and marketing the business. Even if your business is online you will have to manage stock and the mailing of purchases to customers as well as promoting the website online.

Many retail start-ups now establish a customer base for their products online before venturing into the world of the high street. This is a less risky way to get started because it requires less start-up capital.

### What will you sell?

Many people want to own a shop because they have a special interest in something, for example fashion or crafts. The decision as to what type of retailer you want to be and what type of products you will sell will form the foundation for your business and it's very difficult to change once you are up and running.

Doing some research into what customers are buying and into your competitors is an important step. It will help you to clarify who your customers will be and what they will buy. For example you may want to open a shoe shop. So you would find out: which other shoe shops will be in competition with me, what type of shoes do they sell, who is their target customer, what is the quality and price of their shoes? It is also useful to find out what the demographic is in the local area, for example what is the average age of residents, where do they usually shop, what employment opportunities are in the area?

Doing this research will show you who your potential customers are and how much money they have to spend. It would be pointless opening a designer shoe shop in a town where most of the locals are over 50 and most people work in a factory!

Objectivity is the name of the game here. If a particular hobby or product is close to your heart you may not be able (or want) to see that selling it it wouldn't make a profitable business.

### Hitting the high street

If you have the funding and the right type of products, you may decide that the bricks-and-mortar shop is for you.

If this is the case you need to think about finding a premises in the right location first and foremost. Shops rely on what is called footfall, or the number of people walking through the doors, and this won't happen if nobody knows your shop is there. The only shops people tend to set out with a mind to visit are grocers or supermarkets in order to buy

necessities. Even if they are doing some personal shopping or gift shopping it is most likely they will visit the shopping centre with a view to browsing rather than with a specific shop in mind.

What this means for you is that you need your premises to be in close proximity to other shops - either those that sell the necessities or those that offer the opportunity to browse.

Financially, a bricks-and-mortar shop also carries a burden. You'll need to be able to cover rent, business rates, energy bills, the cost of re-fitting the inside and fitting a new fascia on the outside, plus many other costs. As it is unlikely you'll generate enough revenue to begin with to cover all these costs it is important to ensure your start-up capital will cover you for at least a few months.

### **Getting online**

You may decide that your type of shop is best suited to the internet, in which case you will need to consider a different set of factors.

Setting up your website is your first priority and if you are serious about your business it is best to get it professionally designed and developed. This is especially true when you need a shop-front function as this needs to work smoothly and give customers confidence in you when they are handing over their credit card details.

Many people think that just creating a website is enough and that the customers will start flocking to it in their droves. Of course when you consider just how many websites and more importantly, online retailers, there are on the internet you'll know that this is far from the case. Invest time in learning how to optimise your site to rank near the top for the search engine terms that fit your business. Key things to work on are creating intelligent, relevant content and getting other relevant websites to link to your site.

Other things to consider when running an online shop are: the amount of stock to buy and where you will store it; how you will deliver goods to customers and what your terms will be; how you will take payment and what payment options you'll be able to offer to customers; how you will keep your website up-to-date with new products and new content; where you can advertise and how you will differentiate your business from its competitors.

### **Get advice**

When starting a new venture, it is a good idea to get as much advice as possible from the broadest range of sources, particularly on legal or financial issues, or for help creating a business plan. Retail is not an industry to be entered into lightly, especially in the current economic climate, so doing as much preparation and research as possible beforehand is doubly important.

## Putting together your business plan

Compiling your business plan can seem like the most difficult and the least exciting part of starting a new business, but it really is the most important.

While you're getting carried away with product development, choosing a nice logo and dreaming about which shops you'll see your product in, it's easy to forget about the more practical aspects of running a business. Creating a business plan will help you see your start-up from an objective viewpoint and give you a true idea of how successful you are likely to be. It is also vital if you need to secure any type of finance as you will need to present it to potential lenders or investors.

The best way to put together your plan is to take it step-by-step. Create a draft of each section and then perfect it afterwards once the hard work is done. Here is a brief guide to the structure and content of a typical business plan.

### 1. Create a brief description of yourself and your business

This should be the easy part and it will get you warmed up. You first need to write a summary of your own experience, your qualifications, and how you came upon your business idea. Then answer questions about your product or business: What does it do? What are the benefits for customers? Why you think it will be successful. Who is it aimed at? What makes it different?

Include the start date for trading and if the business has already launched, describe your progress to date. Write down the type of business and the sector (leaving out any jargon), and if you are buying the business from someone else include details about the history and past performance. You also need to state the legal structure of the business and list any patents or rights you have bought.

Finally, describe where you see the business going over the next few years.

### 2. Your customers, competitors and research

Deciding exactly which markets you want to target will help give your business activities focus. In your plan you should include customer profiles, i.e. who are they, where do they live, what types of products do they buy and what type of lifestyle do they lead? Once you have done so, go back to your business description and make sure that the product or service you are offering matches your target market.

In this section you should also give information about your competitors. Even if you feel you have a unique product, you will always have competitors so think this through carefully. Re-iterate what separates your business from your competitor.

If you have conducted any research into the viability of your business, which supports your projections, include it here.

### 3. Sales and marketing

Often a last minute job when starting a business, putting together a sales and marketing plan is actually very important, especially when you think that this will be the means by which you tell the world that your business exists.

Use this section to describe how you will bring your product or service to market. Specify where you expect customers to be able to buy your product, listing which types of retailer you will target and whether you plan to sell online, offline or both. If you are selling a service, how will people get to know about it? List the marketing channels do you plan to use, such as PR, advertising, online, direct mail etc, and add detail about how each will benefit your business.

Think about your position within the market and how you can create a niche for your business in the minds of your customers. If you've developed a brand, or plan to, include details and even any designs you have prepared.

Particularly important is how you price your products and you should include justification for your decision in the plan.

Finally, write a sales plan including which suppliers, retailers or customers you intend to target.

#### **4. Your team**

You may be setting up your company alone, in which case this section will be short. In this situation you write down your plans for hiring staff in the future and how this will impact on your business growth.

If you are starting your business with a team of people, however, you should use this section to elaborate on their skills, experience, interests and how each person will contribute to the business.

Give expected salaries or wages where available or if you don't plan to take a salary immediately you should say at what stage you are expecting to start.

#### **5. Operations and Infrastructure**

This is potentially the most helpful part of writing a business plan. It will help you get to grips with the many aspects of running your own business and remind you of tasks which you have yet to complete.

These topics should be included in your plan:

- Business premises - this should cover costs, location, whether you rent or own it, insurance and future plans for expansion
- Infrastructure - think about what technology and equipment you'll need to get started
- Facilities, tools and stock - suppliers, new or second hand items, insurance
- What investment is needed?
- Start-up costs
- Your provision for: managing accounts, payroll, health & safety, quality control

#### **6. Financial Projections**

This is the most daunting part of writing your business plan, but you can download various free templates on the internet that should help you with the structuring of it. Your plan should cover at least a three year period, with the most detail showing for the first year.

Create a separate spreadsheet for each of the following:

Cash flow plan (your cash balance and monthly flow patterns, considering all outgoings)

Profit & Loss (the level of profit you expect to make over time, given sales and outgoings)

Sales Forecast (how much income do you expect to get from sales)

Make sure you include all your outgoings, even the most insignificant, so that you get a true profit projection. Don't forget: premises (rent or mortgage payments), power (gas, electricity etc), telephone, insurance, postage, stationery, equipment machinery or tools, advertising, bank charges & interest, wages / salaries, vehicle expenses, accountancy fees, legal / professional fees, tax, depreciation. Some items should be broken down further in

the cash-flow plan, for example: bad debt provision, loan and financing repayments and VAT payments.

In addition to your spreadsheet, include a summary which details any capital you need, security you can offer lenders, a debt management plan, sources of revenue and any personal financial information you feel is relevant.

## Raise £50,000 in six months

For anyone looking to start their own business, funding is an essential factor that can make the difference between success and failure. £50,000 is an average sum that you may need to raise and here we've put some ideas for getting the money over a period of six months.

### Plundering your savings

Not everybody has savings but if you do, they are a good place to start. Make sure any existing savings are in the highest interest account you can find so that you are getting the best return. Then, as you gather further funding you can add it to the account to generate interest.

If you don't have savings yet, now is a good time to start. Your timeline for starting your business may be six months to a year anyway, so if you start putting money away now you'll have at least a starting point from which to raise more cash. Starting a business is about sacrifice and so you should cut down your lifestyle as far as possible and save the cash - you'll be glad you did.

### Borrowing from friends and family members

While it is certainly sound advice in many instances to follow the old proverb "never a borrower nor a lender be", obtaining funds from friends or family members can be a good way of generating cash to start a business.

While Business Link notes the existence of a number of pitfalls associated with borrowing from friends and family; on the positive side, such borrowing arrangements can often be made on more attractive terms than might otherwise be available from a more formal source of funding.

For example, it may be possible to borrow either without any form of security against the loan and it may also be possible to borrow at either a lower rate of interest, or even interest-free. Repayments may also be possible over an extended period of time and a detailed business plan may not be necessary.

It is best to keep any arrangement formal, however, and to give your benefactor as much financial information as possible upfront. You will be responsible for their money and as such it is in everyone's interest to manage your money effectively.

There are some obvious drawbacks to getting funding in this way and it is worth bearing in mind that if things turn sour, valuable relationships can be damaged. "There is a risk that your investors may offer you more than they can afford to lose, or that they will demand their money back at a time which suits them but not your business," warns Business Link. "They may also want to get involved in running the business, which may not be appropriate."

### Renting or leasing assets

Another way to raise finance could be for a business to either rent out or lease an asset and it may even be possible to do this in a way that is actually tax efficient. Business Link advises that this process can even go as far as reducing an overall tax bill.

Following such a strategy offers a number of advantages, as although the asset does not become the legal property of the company, a small business does not bear the risk of asset devaluation and upgrades can often be completed at a very reasonable rate. It may also be possible to obtain tax relief on any borrowing for the purpose of purchasing an asset.

Find out more about cashing in on your assets [here](#).

## **Business Loans and overdrafts**

Business loans have always been difficult for start-ups to obtain, and under the credit crunch it is now virtually impossible.

To obtain a loan you need some kind of security or proof that you'll be able to meet the repayments, two things which new businesses are unlikely to have. In actual fact this is probably a blessing as it helps to prevent start-ups from biting off more than they can chew from the outset.

Once the business is set up, an overdraft can usually be arranged, although it should only be taken out as part of a tightly controlled cashflow plan.

## **Special start-up funding**

There are a number of grants and special funds for start-ups although applying for them can be complicated. [Business Link](#) carries a comprehensive guide.

You could also consider finding an investor who could give you the capital you need in exchange for owning a percentage of the company. [www.angelsden.co.uk](http://www.angelsden.co.uk) is one of many websites where you can introduce your business idea to potential investors.

If you are determined, it is possible to raise a sizeable amount of funding in a relatively short period of time. What is most important is that you don't borrow more than necessary and you have a plan to pay back any loans.

## How to structure your business

When you are setting up your business and you go to the bank to open your business current account, the bank will ask you what type of business structure you will have. For many businesses this question is unexpected and it is easy to feel pressured into making an on-the-spot decision about something that probably means very little at the time.

However deciding on the structure of your business is very important. The decision you make will depend largely on the type of business you are starting so it is worth doing some research early on to help you make the best choice.

There are three types of business that you need to be concerned with: Sole Trader, Partnership and Limited Company.

### Sole Trader & Partnership

The reason why these two are categorised together is that they are very similar in structure. Most small businesses start out as sole traders or partnerships and then later make the decision to become a Limited Company once the business is more established.

As sole trader operates exactly as the name suggests. You are actually trading in your own name. Even though you might call the business something completely different to your own name, your name will be on all official documentation. For example, say you had a pet shop called Pets-R-Us, this name would appear on the shop front but all bank statements and other official documents would call the business: John Smith trading as Pets-R-Us.

A partnership has the same set up as a sole trader, except that you have equal responsibility for the business with your partner or partners. The trading name on the official documentation would then say something like: John Smith and Claire Jones trading as Pets-R-Us.

Setting up as a Sole Trader or Partnership is usually a smart move for a start-up earning less than £50,000. This is because there are fewer legal responsibilities and less to pay in terms of tax. You would effectively be self-employed and manage the business finances in the same way - filling in a self-assessment tax return at the end of the year with your business income, expenses etc and paying income tax and National Insurance.

You can register for VAT no matter what your turnover is, and the returns can be very beneficial for the cash flow of your business. However if your taxable turnover in the previous year or the next 30 days is more than £64,000, you must be registered for VAT by law.

If you are in a Partnership it is wise to draw up a legal Partnership Agreement, to ensure that all partners know where they stand. This is also very useful if you close the business down.

Many businesses decide to register as a Limited Company once they reach a certain level of turnover. This is because the major drawback of being a Sole Trader or Partnership is that you are personally responsible for any business debts if the company closes down. These debts are treated as the same as your personal debts, and any personal assets (such as your house) could be claimed to use for repayment.

In a Partnership, the partners are jointly liable for all business debts. Any partner can be pursued for the total amount of the debt - it is not shared out equally. This means that if the business fails and one partner is unable to cover their part of the debts owing, the other partner or partners will then be responsible for the whole amount.

### Limited Companies

The two main reasons for setting up your business as a Limited Company are: 1) to take advantage of limited liability status, and 2) to take advantage of the trust that is implied by having the word Limited in your company name.

Limited Companies have directors and shareholders. There must be a minimum of 2 directors, and one company secretary (who can also be a director) who is responsible for submitting the company accounts to Companies House. However a limited company is separate from the directors and shareholders who may not be held personally responsible for any debts if the company becomes insolvent.

Unlike with sole trader status where your income is effectively the same as your salary, as a director you need to pay yourself a salary from the profits (if you decide to take money out) of the business, and use PAYE to arrange income tax and National Insurance. As a company director you also need to complete a self-assessment tax return each year to declare your salary and any benefits or additional earnings.

In addition to paying income tax on any salary you draw, you must also pay corporation tax on any profit. For profits between £1 and £300,000 the tax rate is 20%.

As a limited company there are many and varied legal requirements you must adhere to, for which a fine is payable if they are not complied with. These include employment laws - look out for Working Tax Credit, Maternity Leave, Statutory Sick Pay & Employer's Liability Insurance - tax laws, health and safety laws and other regulations related to specific types of business. If you have 5 or more employees you are obliged to arrange a Stakeholder Pension.

If you are a Limited Company you also need to know the point at which you will be considered insolvent. A company is officially insolvent when it is unable to make repayments on its debts, or where the value of its assets is less than the amount of its liabilities. Assets include stock, fixtures/fittings, monies owed to you from customers or forthcoming work.

Although you may not be personally liable for the company's debts, you are responsible for other aspects of the business, for example unpaid taxes, personal guarantees given on behalf of the company, fraud, trading while insolvent, etc.

As you will see by now there is much more administration work involved with running a Limited Company than as a sole trader or partnership. The decision you make as to the structure of your business will depend on what your capabilities are and your level of confidence as to the business's potential success.

If unsure, take advice from experts.

## Protecting your business idea

Once you've had a fantastic business idea the last thing you want is for someone else to come along and copy it. Or worse, come up with the same idea and get it to market before you!

That's why there are several options for protecting your intellectual property (as long as you've got it down on paper and it isn't still in your head).

### Patenting

Owning a patent on your invention means that you have the legal right to use and exploit it for a set period of time and that you have the authority to stop other parties from manufacturing, using or selling your invention.

There is no international patenting – you must decide which countries you would like to own your patent in, and then apply for it with each individual country. Patents are valid only as long as the owner pays fees to the country or countries where the patent is registered, and most regions stipulate that the patent is only valid if the invention is physically realised or put to commercial use within a certain period of time.

Certain things cannot be patented in the UK, such as scientific discoveries that don't have a purposeful application.

Once you have a patent on your invention, the details of it will be made publicly available. This includes any background information given, the nature of any technical issues solved by the invention, a detailed description of it and how it works, and any illustrations of the invention.

The cost of applying for patent varies. To find out more and to get application information, visit: <http://www.ipo.gov.uk/patent.htm>

### Trademarks

If you've created a specific, unique image for your business you can register for a trademark to protect it from being used by competitors and other interested parties.

A trademark can protect your business's name, slogan, domain name, logo, shape/3d form, colour or sound, but only if it is distinctive for that business within its class (i.e. industry type specified by the IPO), and only if it is not deceptive or contrary to law or morality. If your sign is the same as, or resembles an internationally symbol or name, you cannot register it as a trademark.

You don't have to register your trademark, however it is wise to do so to ensure no-one else can copy it or use it for their own gain.

It costs £200 to apply for trademark in one class of goods or services, and £50 for each additional class.

For more information on applying for a trademark, visit: <http://www.ipo.gov.uk/tm.htm>

### Copyright

Copyright protects those who have intellectual property other than an invention, for example writers, photographers, musicians, actors, artists, designers, producers, broadcasters etc.

You do not have to register for copyright – it is automatically given when an idea is fixed, i.e. written down. However to ensure that your work is protected, it is wise to insert the © symbol on all your work, along with your name and the year of publication. Many professionals advise that as an additional form of protection, a published version of the work with the relevant

copyright information should be posted to oneself and kept in the sealed envelope as proof of ownership.

If you own the copyright to a piece of work, you can choose to sell it or licence it to other parties for use on your own terms. If you are contracted to do some work for a company, be sure to read the section of the contract that deals with copyright carefully to ensure that you retain some form of claim on the work. It is possible to share copyright on an entire product, for example on a music single the copyright might be split with the lyricist owning the words, the musicians owning the musical arrangement, and the producer owning the recording rights.

Different types of work are protected for differing lengths of time. For example, copyright for a piece of writing lasts for 70 years, whereas for the original composition of a piece of music it lasts for life plus 70 years after your death.

### **Design Protection**

As a designer, your creations are automatically protected by Copyright laws, as long as they are unique. They are also covered by Design Protection. This means that no-one should be allowed to copy or use your design for up to 15 years unless given permission.

Design protection covers the outside appearance of a product as well as designs for printed materials etc. There is also an option to register your design for a fee, which will cover it for 25 years.

Find out more at: <http://www.ipo.gov.uk/design.htm>

## Essential insurance for small businesses

General consensus in the business community suggests that the majority of the UK's small and medium sized enterprises (SMEs) don't have adequate insurance cover for professional risks and that probably other types of important business insurance are also being overlooked.

When starting a business, particularly if you are starting in a new industry or profession, insurance is the one of the easiest things to forget. The extra burden of cost an insurance policy puts on a business can be off-putting, and it can seem unnecessary in the early stages.

But certain types of tradesman or professionals would not be hired without insurance and most business owners just have too much to lose in the early stages not to be adequately covered.

### Professional Indemnity Insurance

Self-employed professionals, for example those who give advice to businesses or individuals in areas such as IT and accountancy; those who give out advice on health and fitness such as personal trainers; or those who offer a service such as photographers or beauty therapists, should definitely consider taking out Professional Indemnity insurance.

Professional indemnity insurance offers cover for some situations where you may have been negligent in the advice given to a client or where there have been serious mistakes in your work, and as a result you have been faced with paying a claim for compensation. Any large payouts you might have to make could seriously cripple or even close down your business, not to mention the legal costs involved. Professional indemnity could cover these costs, ensuring your business doesn't lose out.

### Public Liability Insurance

For the majority of small businesses, Public Liability Insurance is the most important type of cover. Whenever a business involves contact with third parties, i.e. the general public, customers, suppliers etc, there is the possibility of an accident happening that may result in injury to that person or damage to their property.

For example, a plumber who works on his customer's property for the duration of the job may be liable for any accidents that happen there as a result of his presence. Let's say our plumber has been installing some piping in a kitchen. A pipe bursts once he has completed the job and the resulting flood ruins the plasterwork, wooden floor and some of the electrical appliances. The plumber would probably be liable for the cost of repairing the damage. Or perhaps while he is carrying out a job, his client trips over a piece of stray piping and is seriously injured. The client may be able to claim compensation against the plumber, which if awarded would probably be attached to legal expenses.

Public liability insurance is the type of cover that would protect against these sorts of incidents. If you work in a high risk environment or with tools, it is also important to take out personal accident insurance on top of your business cover.

### Employers' Liability Insurance

If your business employs staff, even on a part-time or temporary basis, you must take out Employer's Liability Insurance - it's the law. You legally need to have a minimum of £5m cover, however many insurers will automatically put you down for £10m, so if you only have 1 or 2 employees you may want to double check how much you're paying for.

Employer's liability insurance may seem like a nuisance and unnecessary extra expense but the law is there to protect you and your business. If an employee is injured or becomes ill

in the course of their work, and it can be proven as your fault, you could face a claim for compensation. This policy will ensure that your business is protected from this cost. Another good reason for making sure you comply with this law is that there is a £2,500 fine for each day you are in business without cover.

There are some notable exceptions to the law:

1. If you are not a limited company and you only employ yourself or close family members.
2. If you are a limited company and have 1 other employee who owns 50% or more of the share capital.

### **Bespoke insurance covers**

In addition to these three types of insurance, there are other covers which can be equally important, depending on what your business does.

For example, shops, tradesmen and small businesses may want to include Business Interruption Insurance under their policy. This cover compensates your business for lost income when your business is forced to suspend due to an event that is stated in your policy. It could be for an incident as small as a power outage lasting a couple of days that prevents your shop from opening, or one as big as a fire on your premises which could prevent your business from opening for weeks or months.

If your business holds any stock on its premises, insurance can be taken out specifically to protect it from theft, damage or destruction. There may be certain conditions attached to this type of insurance which dictate the manner in which the stock has to be stored. This is especially the case with specialist stores (antique shops for example) or flammable stock like books or paintings.

Similarly, you can get insurance to cover your tools if you are a tradesman. This can be a vital cover as good quality tools used by professionals are often very expensive and sometimes take time to replace. Any loss would be detrimental to a business where clients expect reliability.

As well as general theft from outside parties, you can get cover protecting your cash, tools and stock against theft by employees.

This seems like a lot of different insurance policies to undertake and one would assume that the cost for so many would be prohibitive. Many insurers, however, will include all of them under one policy and by doing so can cut the cost down. This also makes it easier when the time comes to renew.

Companies such as Simply Business can help make the buying process easier by offering a range of online quotes to compare from leading insurers, which are based on your individual information. You can either buy instantly online and view the policy document attached to each quote given, to ensure that you are covered in the right areas. Or call the UK contact centre to run through the quotes if you are unsure.

## The top five things it's easy to overlook in business

When you're concentrating on getting the job done, it is easy for an entrepreneur to find themselves developing a degree of tunnel vision and neglecting some of the wider issues that face a business. Indeed, when the day-to-day concerns are vying for attention, it is easy to neglect issues such as marketing, the company website, late payments, the backing up of data and even insurance. However, making sure all of these things are taken care of can dramatically improve the overall health of the business.

### Spend time on the your web presence

In the age of the internet, where more and more things are being conducted online, an entrepreneur would be foolhardy to consider setting up a business without any kind of presence on the web. Equally though, it is important to make sure the website is designed with a bit of thought.

Echoing this sentiment, Diversus, a consultancy firm specialising in disability, has announced that an accessible website is positively good for business. The firm maintains that a website that has been designed with accessibility in mind will offer a number of benefits, including upload time improvements and crucially, improvements in search engine rankings and overall presence on the net.

"We always explain to our clients that having an accessible website is not only good for people with disabilities, it is also good for business," said Simon Pawelski, operations director for Diversus.

"Because of the way the site will be designed and developed, the site will also benefit from increases in search engine ranking, web presence and upload time."

### Data backup

While disaster recovery may not appear to be the most pressing concern when it comes to running a business, ensuring the safety of data is essential as the consequences of losing important information can be disastrous for a business. And while everything may appear to be fine, contact databases, payroll data and other pieces of information can be lost in an instant - even on relatively new computers or hard drives. Even if data is not corrupted by an event such as hard drive failure or the introduction of a computer virus, it is possible for things to go wrong as a result of human error, or even natural disaster.

However, with a bit of planning - known as business continuity planning - even if the worst does happen, its effects can be mitigated and the business can hopefully overcome the immediate problem. Essentially, what you need to do is perform an assessment of the risks that face your business, examine ways in which these risks can be minimised and then formulate a strategy for recovering from an event should it occur. The specifics are more involved, but these are the basics.

### Dealing with late payments

It is never a good thing for someone to owe you money and neglecting the recovery of such debts can negatively impact upon the cash flow of any business and even damage profits. This being the case, the first priority of any business should be to try and make it less likely that a payment will become late.

Business Link recommends that businesses make use of a number of different strategies, such as issuing invoices promptly, establishing monthly targets within a payment timetable and even using a credit management system to keep track of things.

### Take care of marketing

When the customers are coming in it can be easy to neglect developing a marketing strategy as it doesn't really seem to be that much of a priority. After all, if customers are coming to you, why spend valuable time trying to market, when forces seem to be doing your job anyway? Such tactics however are a little short-sighted and marketing is essential for reaching out to new customers and keeping existing clients informed about what's new and exciting.

Business Know-how recommends the adoption of a number of different marketing techniques which might be worth considering, including offering special deals for existing clients and even trying techniques that your competitors are not. Creativity can reap rewards.

### **Insurance**

When most types of business insurance are not compulsory, it can be easy for a business to hope for the best. Sometimes there may be a desire to minimise costs, or an entrepreneur may decide that the odds of something bad happening really are worth the gamble.

The thing to remember though is that that because insurance is designed to protect a business or individual from an eventuality they cannot afford, even if the risk of that thing is small, is it really worth not having insurance cover? In addition to peace of mind, business insurance policies can offer real protection and - like the four areas discussed above - really should not be ignored.

## 5 good reasons to take out public liability insurance

### 1. Increase your credibility with your customers and potential customers

Having public liability insurance is often a part of the requirement for clients when they are looking for suppliers, whether in the building trade, consultancy or entertainment. Without it you could lose valuable work and your business will lose money.

Having comprehensive insurance also reassures potential customers that your business is reputable and gives them one less thing to worry about in the hiring process.

### 2. Avoid financial ruin

Public Liability claims can be hugely expensive to cover. If a business had to pay the costs involved with an accident which resulted in a claim for compensation, it could possibly be liable to pay thousands - even hundreds of thousands of pounds. For a small business finding this sort of money would most likely be impossible and therefore closing the business may be the only option.

Public Liability Insurance would in most cases cover the cost of the compensation payment, along with any related legal fees.

### 3. Protect your clients from harm and their property from damage

Most businesses have contact with the general public in their daily activities. Whether this is simply through working in a clients' home as a plumber or running an office where visitors come and go, your business has a duty to protect these people and their property as far as possible.

Part of this duty is having the appropriate insurance to cover any accidents that happen to them through the fault of you or your business. When dealing with you they should feel secure in the knowledge that they can be appropriately compensated should they be seriously injured or their property damaged. That being said, this is more for your peace of mind than theirs, as no-one really expects the worst to happen to them or thinks about the insurance until they suddenly need to!

### 4. Accidents and mistakes are just waiting to happen

Don't assume that there won't be accidents or mistakes just because you've followed all the appropriate health and safety measures. True, it is possible to run a business for many years without it impacting badly on someone else. But is this complacency worth the risk to your livelihood?

Many people don't think about taking out insurance until they actually need it. In business you can't afford to take such a risk.

### 5. Don't believe us? Read these recent cases from the Simply Business files ...

#### A contractor drives his cherry picking vehicle into a fellow contractor

After driving his cherry picking vehicle from one site to another, the man who was guiding him through the dark street inadvertently found himself trapped when the vehicle was being parked and it ran over his leg, breaking it in two places.

As a contractor, the driver was required to have his own public liability insurance, and as such the injured party was able to claim damages covering: PSLA (pain, suffering and loss of amenity) of £15,000; Loss of earnings to £8,000; Care to trial of £1,500; Medical expenses of £7,000; Claimant costs of £8,500 and his own costs of £7,000.

A joiner punctures a water pipe and causes extensive damage to a development

A joiner was contracted to install all the joinery in 26 of the flats in a housing development. When the cold water system was tested the piping was found to have been punctured, which caused extensive water damage to some of the flats.

Although not completely aware that he had caused the damage himself, he found himself liable for the damage and had to claim on his insurance for covering the cost of the repair work and his own related costs, amounting to £35,000.

Repairs to shopping centre sprinkler system result in claims from several parties

Two employees from a company contracted to refurbish the sprinkler system at a large shopping centre neglected to cap off the end of part of some pipework, which resulted in a flood once the water was switched back on. Water damage was caused in the centre premises to the stock of several shops.

The sprinkler maintenance company had insurance to a limit of £5m, which more than covered them for the resulting claims of around £25,000.

## **You've started a business – so now what?**

So, your business is set up and you're about to launch. You might think the hard part is over, but the next challenge has the potential to be tougher still. Letting people know you exist and selling your products to the public or to other businesses is the obvious next step, but go about it the wrong way and you could be pouring your money down the drain.

Most people assume that buying a few adverts in the local press or national press is the way to go, but for most businesses this isn't cost effective and won't bring in the volume of sales leads you need to justify the cost. Here are a few tips for getting it right.

### **PR**

Running a public relations campaign is the cheapest way to attract attention for both your business launch and on an ongoing basis. In fact it's practically free!

Depending on the type of business you have your strategy will vary but all PR plans incorporate similar elements.

The launch of your business is a news story in waiting. Put together a press release with a catchy headline, explaining a bit about your business, the types of customer you are hoping for, a couple of quotes, and any newsy elements that you think might make a good angle for the press. This shouldn't read like your corporate brochure – keep it brief and interesting. If your launch involves an event or party, that's even better. Send the press release along with an invitation – the press are more likely to give you a write up if they have experienced your business for themselves.

If you have a new product on the market, send free samples (where feasible) to highly targeted consumer or trade magazines along with your press release. The magazine might feature you in their product review section if they like it.

If you have expert knowledge within your industry, you could put yourself forward to publications and websites as a columnist or as a panellist in the advice sections. This is a great way to give your business credibility and to become known within your sector. You can also offer to write free articles or content for websites on your specialist subject.

Work hard on developing your relationships with journalists in the local press and relevant periodical press (magazines). Splashing out on the occasional lunch might seem excessive but it will pay dividends in the end!

### **Advertising**

Having just said that advertising can be a waste of money, this is not the case if you choose your media carefully. Finding the right formula can involve much trial and error but it is worth it in the long run if you have the budget to spend.

Directories such as the Yellow Pages and Yell.com are always solid for bringing in leads, especially if your target market is the local community. Plus, it's still very much the case that a customer expects to see every single business listed in the Yellow Pages, and consider those who aren't to be dodgy or untrustworthy.

There are also a plethora of alternative local guides, both printed and online, that present a good advertising opportunity if your business relies on local trade.

For b2b businesses, trade journals and directories are the most highly targeted and can generate good leads, however they do tend to be expensive.

Direct Mail is a different form of advertising that puts your business right under the nose of the customer. Many people complain about the volume of junk mail coming through their letter

box, but it remains true that if you manage to connect the right product message with the right person, then it works very well as a method of advertising. Just think of all those pizza menus that come through your door – great if you fancy one there and then, and useful to keep for another time.

## **Sales & Promotion**

You should have put together a sales plan when you were in the planning stages of setting up your business. It is now time to put it into action. Make the necessary calls and arrange those meetings, ensuring that your supporting information and materials are up to scratch.

The key to selling effectively is to tell the customer what your business can do to benefit them. Tell them this first, even before you've explained what your business does. If you can grab a potential customer's attention from the start, then you've got a better chance of holding on to it!

Selling isn't just about cold calling, or visiting potential clients. Certain types of business benefit well from active promotion on the streets and at point of sale.

If your product is selling in someone else's shop, do everything you can to get it to jump off the shelves. If you can offer a price discount or arrange another promotion with your vendor this can be great way to get people noticing your products.

If you own a restaurant or shop, get out in the streets and tell people about it. Hand out flyers, samples, whatever gets the attention of your target audience.

## **Website**

Setting up your own website gives you a whole new avenue for marketing your business. A growing number of people now look for the products and services they are interested in online, using search engines or directories to find them.

Creating it doesn't have to be expensive. Most businesses can get away with a few well laid out pages to begin with, and then if need be develop it further when your business starts to take off. There are lots of companies that offer software that enables you to create your own website without having to know any coding or to have any technical skills. For what is usually a reasonable monthly fee, they will host your website for you on their servers and can even give you an email account and URL.

Try not to make your website too complicated. It should be simple to navigate and the relevant information easy to find. Even with everyone on broadband these days, it's best not to overload your site with images. Search engines find it easier to categorise your website for their listings if it is mostly text.

## **Online marketing**

It is not enough just to have a website online, you must also help people to find it. It takes a while to get a listing high up enough on a search engine for people to see it, so to begin with there are a few low-cost ways to be seen.

See our [online marketing guide](#) for a comprehensive 'how to' on marketing your business on the internet.

## Cost-effective lead generation for tradesmen - increase your customer base

As the credit crunch takes hold, it is becoming more difficult for tradesman to find new business in traditional ways. Leads from recommendations in particular are drying up as people tighten their belts and look for ways to save money. As such many tradesmen, such as plumbers, builders, scaffolders, carpenters and gas fitters will need to find more and more innovative ways of advertising their services.

The internet is the obvious solution although many of the older generation still avoid it, claiming technophobia. However Nielsen, the world's leading monitor of internet use, asserts that thanks to more people logging on and a wider availability of broadband services, self-employed tradesmen and smaller businesses now have no reason not to use the web as a method of cost-effective advertising.

According to Business Daily, 875 million people are now looking online for products and services, which means there is a large audience for tradesmen to advertise to.

Although it is easy to set up and run a website these days, it is not absolutely necessary to do so in order to advertise services online. Internet directories such as Yell.com and Thomson Local offer a similar service online to that in their printed book and are reasonably priced. There are also a number of local websites dedicated to promoting the services of local businesses and tradespeople, which are reasonably priced for advertising space.

A website can, however, be very beneficial to a small business, particularly one that relies on word-of-mouth to find customers. If someone recommends a business these days the first thing that happens is that the business is looked-up online.

Your website can offer very useful information to customers. You could put photographs of your work up there, testimonials from happy customers, and details of your insurance and other official accreditations. All this serves to enhance your reputation.

Some insurance companies, such as Simply Business, offer business customers a link for their website that takes the user directly through to view the insurance policy documents.

In addition to the main directory sites there is a new breed of website that aims to make services more transparent for customers. Reviews of businesses are very common on the internet these days, as are recommendations on sites targeted at specific kinds of service.

MyBuilder.com, for example, is a way for customers to advertise for builders and for builders to advertise to customers. Users can leave feedback on the builders, which is useful for other customers using the site. Building up an approval rating on a site such as this could help build your customer base.

Ratedpeople.com is another similar website that aims to help customers find reputable tradesmen through recommendations and reviews by others. Customers can also get quotes for a job directly through the site.

The internet isn't the only method of actively generating leads. If you can stretch your budget to produce some leaflets you could do a targeted mail drop in your area of operation. For example, houses with Sold signs outside signify that someone has just moved into that house. It's very possible that they might be looking for a decorator, builder, plumber or other tradesman to help them out.

The bottom line is that finding new ways to advertise takes a little time and creativity but can be done at relatively little cost. And doing so could be vital in keeping your small business afloat during tough times.

## Top sales tips for the entrepreneur

Sales is an important skill for small business owners and self-employed professionals, but even for seasoned salesmen it is a constant learning process.

Writing for online resource Complete Sales Management, Robert Estupinian notes that a successful sales strategy is imperative to small businesses as it means all parts of the organisation run smoothly and ultimately maximises profits.

Many people who have set up their own businesses may not have a solid grounding in sales skills but, according to US businessman Harvey Mackay, it is rare for the head of any company, no matter how small, to not have to play the role of sales person from time to time.

### Know your customer

Speaking to the Post Bulletin, Mr Mackay, asserts that his top tip for any sales person is to know something about the individuals they are trying to sell to, as knowing what they really want and tailoring the pitch towards them can foster recognition and respect among consumers.

He also notes that having a good reputation can greatly benefit anybody looking to sell, adding: "Everything flows from your reputation - customer loyalty, referrals and more."

According to Mr Mackay, one way to build a good reputation is to take measures such as writing thank you notes, remembering customers' names and taking a personal interest in them.

However, online news resource Sales Vitamins advises that sales professionals should be wary of letting the customer run the sale, noting that while it is good to build strong relationships it is vital to remember that the seller always comes first.

### The seller comes first

The sales professional is the best person to "direct the sales process and provide sales help when and where needed", as they can ensure that all involved parties get what they want out of the interaction.

"The sales professional knows how to sell to a specific customer and can put together the following mix of ingredients: customer relationship management, competitive benchmarking, product recommendations/information, budgets and timing," it states.

### Don't get sidetracked

A third top tip for sales professionals comes from author and adviser Mark Winder who states that people must be careful to actually ask for the sale.

While this may seem like an obvious thing to do, Mr Winder tells online news resource E Zine Seeker that when people get into a conversation with their potential customer they can all too easily miss out the sales pitch.

He adds that it is vital to ask for a sale, as it can cover a "multitude of sales sins" and ultimately people do not get what they do not ask for.

Mr Winder claims that many people avoid this part of the interaction due to fear of rejection but reminds business people that in sales even rejections can be viewed positively and be turned into a "yes" at a later date.

This opinion is also expressed by Mr Mackay, who notes that asking for what they want is a key skill for sales experts.

### **Bring in the experts**

However, if a business owner feels that they cannot successfully take these tips onboard they could consider employing somebody else to take care of their businesses' sales side.

A recent article on the blog Stand Out Jobs states that when looking to employ a sales person it is vital to see candidates' practical skills in action before making any decisions.

It suggests setting up a mock scenario and asking them to sell something to see how effectively they deal with questions and pressure.

### **Solid training is key**

Commenting through Complete Sales Management, Mr Estupinian notes that when taking on new sales staff it is vital that they are training effectively, adding that it must be the right sort of training.

Rather than teaching sales techniques, he advises implementing a sales strategy which will see people going into exchanges knowing exactly what they want to achieve.

So, a successful sales team can help boost a small business's bottom line and if the business owner does not feel confident enough to start selling they can always employ somebody who can.

## Why should a small business carry out a risk assessment?

By Calculated Risks Limited

For many small businesses the management of health and safety issues and keeping up with the multitude of regulations can seem like a daunting task.

For some, the answer is to ignore it and convince themselves that it does not apply to their business. For others, the answer is to pay a third party organisation to 'sort it out' and provide the required policies and documentation.

In truth neither option is the correct approach and both can be very costly to the business.

### What are the legal responsibilities?

According to Section 2 of the Health and Safety at Work Act 1974, all employers have a duty to ensure that - so far as is reasonably practicable - the health, safety and welfare of all employees is looked after.

The Act also requires that employers of five or more employees have a written statement of their health and safety policy and that this is, along with any revisions, communicated to the workforce.

The Management of Health and Safety at Work Regulations 1999 places further duties on employers to:

- Carry out assessments of risks to employees and other people, that are caused by their work activities
- Introduce effective arrangements for planning, organising, controlling and monitoring controls and precautions
- Appoint one or more competent person to help and advise on health and safety matters
- Provide employees with relevant and understandable information relating to the risks arising from their work activity and the controls/precautions to be followed.

Failure to comply with Health and Safety laws can result in heavy fines or imprisonment.

### What is a risk assessment?

Many small businesses think that completing a risk assessment is a difficult and complicated process, and as a result is often misunderstood. For this reason many companies employ third party consultants to complete a series of assessments and prepare the required documentation and then they relegate the manual to a remote bookshelf.

Jukka Takala, Director of the European Agency for Safety and Health at Work (EU-OSHA) says: "This is not what we want. It is more important for a small company's management to apply their own rational thinking to the key health and safety issues within their workplace, and carry out a simple assessment than to engage a big consultancy firm."

A risk assessment is simply a careful examination of what, in your workplace, could cause harm to people and an evaluation of whether the controls and precautions you have in place are adequate.

The simple approach to risk assessment published by the HSE comprises 5 steps:

Step 1: Identify the hazards

Step 2: Decide who might be harmed and how

Step 3: Evaluate the risks and decide on precautions/controls

Step 4: Implement the controls and record your findings and actions

Step 5: Review your assessments regularly or when there is a significant change in the risk and update as necessary

### **Seeking competent advice**

The law requires that a business should carry out and record risk assessments if it has more than 5 employees.

Businesses are encouraged to carry out the assessments themselves if they have the competency in-house, however it would be wise for a smaller business to take expert advice and support when doing so.

A company such as CRL Risk Adviser, for example, offers small businesses a wealth of health and safety information in an easy to understand format. For a low cost - just £47 including VAT in the first year - a business can also access a library of downloadable document templates and support directly from the CRL experts.

Services like these are an enormous help to the small business owner who doesn't have the time to filter the huge amount of information out there and work out what is relevant to his or her business.

### **Risk Assessment is good for your business**

Over all, completing risk assessments and effectively managing health and safety in the workplace is good for your business. It not only keeps your employees safer but can have a beneficial impact on business insurance costs - both on premiums and claims. It will also reduce lost production time through employee absence or machinery downtime and improves workers' motivation and productivity.

So don't put it off any longer and get started on your risk assessment today.

## Heroes of enterprise

There is nothing more inspiring than the tale of someone who has come from a humble background rising to the top of their game and making their first business venture a roaring success. These heroes of the business world deserve a closer inspection to see what there is to learn from their stories.

The great news is that the world of business is full of examples, such as Nintendo, which grew from very humble origins - the company actually started life as a manufacturer of playing cards! Or even Nokia, which started out as a firm specialising in wood pulp. During their early days they even had a go at producing Wellington boots!

Here is a brief history of two well known business heroes that a budding entrepreneur can draw inspiration from - Sir Richard Branson and Sir Alan Sugar.

### Sir Richard Branson

Born in 1950, Sir Richard started his first entrepreneurial activities at Stowe School in Buckinghamshire where, according to richard-branson.com, at the age of 16 he created a magazine called Student. One year later he went even further, establishing a student advisory centre.

While Sir Richard's academic performance was affected by dyslexia and a number of earlier ventures did not prove to be a success, this did not hold him back. In 1970, the entrepreneur established his first venture into the world of selling music by mail order and followed that two years later by launching a chain of music retail outlets known as Virgin Records. He moved into the music recording industry the same year.

"In 1972, a recording studio was built in Oxfordshire where the first Virgin artist, Mike Oldfield, recorded 'Tubular Bells', later released in 1973," said richard-branson.com.

"The first album of Virgin Records went on to sell more than five million copies. At the age of 27, Richard signed The Sex Pistols to the Virgin Records label after the group was turned down by every label in Great Britain."

And Virgin Atlantic Airways, one of Sir Richard's most visible successes, has risen from its creation in 1984 to become the UK's second biggest international airline for long-haul routes. Fighting for years against a system biased towards existing airline companies, Virgin now runs flights to destinations including the US, Caribbean, Africa and Asia. It would have been the easy road for Virgin Atlantic to give up the fight but Sir Richard's determination helped them stay the course.

Sir Richard gives the outward impression of being a fun-loving, likable entrepreneur, however the success of his companies reveals the hard-nosed, driven business man beneath. The mixture of these qualities has served him well throughout his career.

### Sir Alan Sugar

Born in 1947 in the East End of London, Sir Alan grew up as the son of a tailor and did not continue in full-time education past the age of 16. His first job upon leaving school was for the UK's Ministry of Education where he worked as a statistician. Now an accomplished businessman and multi-millionaire, Sir Alan's entrepreneurial teeth were actually cut during his first business venture as the seller of electrical products and car aerials - his premises, a van.

Despite these humble beginnings, Sir Alan was to establish Amstrad in 1968 at the age of 21. Initially created to sell electrical products, Amstrad became synonymous with the first era of the home personal computer, producing its first machine - the Amstrad CPC 464 - for

release in 1984.

"Sugar is a key player in the business and media world and one of the UK's most successful entrepreneurs, which was recognised in 2000 when he was knighted for services to industry," said Meera Dattani, in a report by Virgin Media.

After selling his business for a reported £125 million in 2007, Sir Alan is arguably now better known for his appearances on the BBC reality television programme, the Apprentice.

The work of these two men shows that, despite humble origins or early setbacks, it is possible to grow a business into something big. Essentially, both Sir Alan and Sir Richard show that entrepreneurial dreams of making it big can become a reality with hard work and determination.

However, their work over the years also shows that to be a success, it is necessary to possess certain personality traits such as grit, determination, and a will to succeed. They also have a knack of spotting the next big thing. And while not all entrepreneurs will run a business that survives the long term, and others may not grow to become multi-millionaires, it is not out of the question. But it does require lots of hard work and some serious business acumen.

Read more business success stories [here](#).