

Suite 104**STARTING A BUSINESS**

An action strategy
Naming your business
Intellectual property
Where to establish the business
Environmental issues

104.01 DECIDING WHAT TO DO

Now is the time to sit down quietly have a cup of coffee and have a good look at what you are seeking to do. You should be prepared to identify both business and personal aims. Ask yourself; are you motivated by the idea of making more money? Are you seeking independence? Is it that you want complete control of your life? Or, are you seeking to enter into a field that really interests you? Have you a new idea or product? Perhaps life's circumstances have brought you to a cross road and you have lost your job and need to seek a change in your lifestyle. Or, maybe you have discovered a way or method of using the latest technology to structure a new company with increased competitiveness and profit potential.

In any case, starting a new business will make countless demands on your time and resources. Conduct research to determine the viability of the business concept. Assess your health, personality and experience to determine if you have what is needed to succeed.

A typical entrepreneur will have the following key qualities:

- Self-confidence
- Self-determination
- Self-starter
- Judgement
- Commitment
- Perseverance
- Initiative
- Enthusiasm
- Creativity
- Leadership
- Ambition

Whatever your reasons be clear about your goals and do your homework. Research the concept thoroughly before jumping in. Then make sure you are properly prepared and funded or you will join the long line of new business owners who fold because they were either not properly prepared or funded.

104.02 TAKING THE PLUNGE

A new business venture is the one which requires the most careful planning. So make every effort to research and plan with care. If you are aware of another business which is in the same field study this business and the market and secure as much information as possible. As they say 'Ask the man who owns one'.

Perhaps you can find way to improve its operation or marketing, this might provide you with an advantage. If you plan to offer a service or product with a difference make sure you canvas the market to see how your potential customers will react to it. Undertake to do a proper feasibility study.

Remember:

- Take care of yourself and your health
- Keep your expenses and overhead low
- Seek advise from the experienced
- Be extremely careful with your capital
- Don't waver – keep focused

AN ACTION STRATEGY

104.03 CREATE A PLAN

It is now time to create a plan, a strategy for your company's success. This may be referred to as your company's 'mission statement'. You must have a strategy for succeeding. This should include a brief description of the market along with the ingredients for success that will make your company unique in the market.

If you have a firm idea of your aims and where you want to go, you are more likely to succeed. The entrepreneur must have clarity and vision based on either personal experience or insight to the path required to achieve success. Can your company change the existing market or create a new market?

Through perseverance the successful entrepreneur will demonstrate adaptability and change as he learns more about the dynamics of the market he pursues.

Life as an employee is completely different since your employer takes on the responsibilities of executive management. Now it will be your turn to make the executive decisions as you will be dependent on your own ability. You will need to show that you are capable of paying attention to detail and have an ability to attract and secure the right team.

It is essential to secure the right people capable of management and motivation. Everyone must become part of and share in this vision of success. Just as important is the company's ability to properly identify and achieve proper capitalization. The highways to success are littered with the bones of well intentioned companies who attempted to cross the desert with too little water or inadequate capitalization. In addition to normal monthly requirements to meet target schedules, the company must have the capital resources stay abreast of the rapidly changing markets. The greatest ideas and technologies can face success or failure through its attention or lack of attention to detail and its ability to maintain focus.

'The work is hard, but until you have worked for yourself, you don't know how satisfying it can be.'

How do you rate yourself with the following business skills?

- Business planning
- People management
- Financial management
- Product development
- Marketing skills
- Customer/supplier relationship management

Ask friends and colleagues to check your image of yourself. The chances are that your views will not agree and you might end up knowing yourself far better.

Now is the time to sit down and make a practical list of questions regarding your new start-up enterprise? Remember the more questions the better prepared you will be. Whether you are thinking of taking advantage of a niche in the market or defending an existing customer base your strategic plan will embrace questions which may determine the future of your business.

Here are some key questions:

- What exactly is your product or service?
- What makes it different?
- How does it stand up to the competition?
- How will the present market accept your business?
- Define the extent of your market? The close neighbourhood, domestic or trade with other countries?
- If you were to think in terms of an international market would that alter the scale of your target and plans?
- Would you be more vulnerable to competition by remaining a domestic company, or by becoming an international company?
- Should your present plans include the formation of links, mergers or the acquisition of business, products, or services to strengthen your market presence and spread financial risk?

- Is proposed management and structure appropriate to exploit new opportunities and defend your present position?
- What training in skill and languages would we need to be ready?
- How will you produce this product or service?
- Where would you produce this product or service?
- What type of company structure would provide you with the best tax base?
- What type of company would provide you with limited personal liabilities in the event anything went wrong?
- Do you really know enough about business before you start?
- Who's going to do the books? If it's you are you prepared?
- Could computer skills help me?
- Have I spoken to others who could help?
- Do I have access to the resources required?

This is just to help you get started surely you can add to this list? Making this list will cause you to think. Then act and do as much of it as possible, if you get stuck try looking deeper into this website for more information helpful in making the decisions you are facing.

In his book *Small Business Management*, Michael Ames gives the following reasons for new business failure:

- Lack of experience
- Insufficient capital (money)
- Poor location
- Poor inventory management
- Over-investment in fixed assets
- Poor credit arrangements
- Personal use of business funds
- Unexpected growth

See a library of business plan templates on the Microsoft Office website.

<http://office.microsoft.com/search/results.aspx?Scope=TC&Query=business+plan&CTT=6&Origin=EC010331121033>

Think in practical terms and allow your energy and vision to open new horizons. Whatever you may seek, guidance, help, professional advise; you will find the information and contacts here within this website.

NAMING YOUR BUSINESS

104.04 MORE TO A NAME

Now this might seem easy and very straight forward but there is more to selecting a business name than just picking one.

The first thing is to decide on the type of business structure that you will use, as each structure has its own peculiarities.

In **the United States** many states require a sole proprietor to use their own name as the business name unless they formally file another name as a trade name, or "fictitious" name. You will be able to find exact answers to this under 'Site Map' then seek the Special Report on the United States, go to '50 Sovereign States'; then to the State you require and seek the tab for "State Business Information".

Trade names can be registered (in the U.S., through state Secretary of State offices, and for wider marketplace protection, through the U.S. Patent and Trademark office (USPTO). Businesses should first use the USPTO's online system to search all state and federal trademark registers to see if their proposed name is being used.

In **Australia** check that the name you have chosen is not already taken, look at the Australian Securities and Investments Commission website. Registration of a business name is only required by law if you use a name other than your own name.

Next determine if your trade name will be the same as the full legal name of your business. It is important to find out if your name or a very similar name is being used by another business, and if so, what rights they may or may not have to use the name in the area where you are seeking to do business. Some businesses only file trademarks within their locality, so it is possible that the same name can be used elsewhere.

You must make sure that there is no objection to the name you choose, because if you are told to change your name, it could be very costly, in image as well as in money. Restrictions on names and as to what information you must give or display are usually the same as those for individuals and partnerships starting business.

In most areas the requirements to display certain information in a prominent place is constant. So, it is best to be prepared and conform (even if you are working in your garage). This information is usually displaying on all business letterheads, invoices, receipts, etc. It is usual to include your business name, your own name and those of any co-directors or proprietors and your permanent business address.

If doing business from the United Kingdom as a sole proprietor or as a partner, read 'Business Names – Guidance Notes' before you make your final decision on your name. This can be obtained from Companies House. You are not to use such words as 'Royal', 'Authority' and 'International'. There are specific regulations if you seek to trade under a name which is not your own. Or you can use the services of Business Names Registration Plc. They will make sure the name you have chosen meets these regulations and will send you the documents you need. They will also put your name on their register to protect you against copying.

104.05 TRADE NAME REGISTRATION

In the United States if your business will only operate in the local community state registration may be sufficient. However, if you wish to trade abroad then check for the appropriate information available in the Aid to Trade section.

In Australia, registration of a business name is only required by law if you use a name other than your own name. The registration of a business name in the state or territory in which you operate your small business is compulsory. New companies must register with the Australian Securities & Investments Commission (ASIC).

104.06 INTERNET DOMAIN NAME

In the event you plan to market or identify your business via the Web then your business or trade name may be synonymous with an internet domain name. Domain names are not registered through state or local government. These names can be searched and registered through various online businesses. It is normal to be allowed a name search prior to purchase to make sure your chosen name isn't taken.

INTELLECTUAL PROPERTY

104.07 PROTECTING YOUR RIGHTS

First you must come to grips with the fact that many businesses are built around the concept that ideas are property. For some businesses this is vital. If you have what you believe is a new idea you must move quickly and properly before it is too late to take advantage of your new idea.

Intellectual property includes patents, copyrights, trademarks as well as know-how or trade secrets. Many companies have such property without even being aware of it or of the need to take measures to protect it.

Turning a new idea into an invention is more difficult. It takes knowledge, time, money and effort to refine the idea into something workable. Then taking it to the stage of becoming a new product accepted by the marketplace takes all of the above plus a great deal of luck.

Each and every year literally hundreds of thousands of patents, trademarks and copyrights are filled for protection under the law. It is difficult to decide which of the three vehicles is more important as each category protects a distinct aspect of a creative work or expression.

Federal registration of intellectual property, including patents, trademarks, trade names and copyright, provide business owners with exclusive use of intellectual property in the U.S. as well as in a large number of foreign countries.

Intellectual Property (IP) represents the product of your mind or intellect. It can be an invention, trade mark, original design or the practical application of a good idea. These rights are very valuable assets that can separate your business from your competition, making your products and services unique and attractive to your customers. IP rights are different and separate to property rights that exist in the physical product itself. For example, a person may own a book but may not own the copyright (i.e. the rights to reproduce, adapt, publish or communicate to the public etc) in the text, drawings or tables contained in the book.

IP rights include:

- **Patents** – Give you the exclusive right to stop others from manufacturing, using and/or selling your invention.
- **Designs** – Used to protect the visual appearance of a manufactured product.
- **Trade marks** – Protect the identity of your goods and services. They can be a letter, number, word, phrase, sound, smell, shape, logo, picture, aspect of packaging or any combination of these.
- **Copyright** – Protects the original expression of ideas, not the ideas themselves. Includes protection for original works of art, literature, music, films, broadcasts and computer programs from unauthorised copying.
- **Confidential information** – Information such as trade secrets, process information, product manufacturing specifications, business and marketing plans and client lists.
- **Know-how** – Relating to the application of tried and tested techniques or processes to new situations.

There are those who may not be interested in protecting their own rights, but must still take precautions to avoid infringing on the rights of others. Some copying is unavoidable; but one can easily infringe on the rights of others without imitating specific features of goods or services.

WHERE TO ESTABLISH THE BUSINESS

104.08 FINDING THE RIGHT PLACE

Finding the right place to establish your business is perhaps the most important issue, especially to retail businesses. In many countries you should concern yourself with planning permission and access. Parking may be a primary consideration. While visibility, accessibility and function may be crucial, failure to check restrictions, building codes and zoning can be fatal. You must always read carefully your commercial lease or this can ruin your business before it starts.

In the United Kingdom you must check with the local council to make sure you are on the right side of these sometimes complicated regulations, like environmental health rules, which govern how premises can be used for trade. Even if trading from home, you might need planning permission. In a new building if there is a change of use, consult your local authority planning department. If there is to be structural alterations again consult with the local planning and building regulations departments, the fire, water and sewerage departments.

You must always check your legal responsibilities for health and safety of employees and the public. Is the process likely to lead to significant air pollution, or is food being stored, prepared or served? Then check with the appropriate authorities for such as health and environmental issues.

104.09 THE COMMERCIAL LEASE

In order to negotiate the best possible commercial lease you will need to seek the professional assistance of a good lawyer. There are many primary concerns to be aware of and you will find more information on the third floor, look under Purchase of an Enterprise and Valuation Principles.

104.10 ZONING (PLANNING PERMISSION)

Not every country has zoning requirements, but some countries require prior approval of your business intentions by the local Council Planning Authority.

Zoning requirements may affect the type of business you intend to operate. Therefore, it is important to check the zoning requirements for the area where you are thinking of establishing or buying your business.

ENVIRONMENTAL ISSUES

104.11 MAKE A THOROUGH LEGAL CHECK

Be sure to have your attorney check any environmental issues and regulations relating to the area you seek to acquire or lease.

In the United States you can check with your Local County, State or Council re Health Department requirements, plans for roads and any other works or bylaws which may impact on the location of the business.

This will be a similar Governmental Agency no-matter where you live.

104.12 MANAGING POWER USAGE

You will save money by using energy efficiently. Through managing power usage you will be saving energy, maximising efficiency, reducing costs and increasing competitiveness

.

104.13 MANAGING WASTE OUTPUT

You can also save money by reducing waste and careful management of the use of raw materials. Significant cost-savings can be achieved by cutting your business' waste output.

For further information consult the following websites:

In the United States:

<http://www.epa.gov/epahome/rules.html>

In the United Kingdom:

http://www.dti.gov.uk/for_business_environmental.html

In Canada:

<http://www.cbasc.org/>