



1: GETTING STARTED

For some people, starting their own business is as obvious as the nose on their face. For others, it is a risk not to be contemplated.

For you, it is an idea in the back of your mind, one you cannot get rid of. You may already know what kind of business you want to be in. What you want from this book are a few short cuts to help you get there faster and with fewer problems.

On the other hand, you may simply be toying with the idea still, unsure of which direction to take. You are hoping that this book will present you with a ready-formed solution. In fact, you must provide your own solution but this book can help by providing a structure for your thinking.

THE STAGES IN A START-UP

The stages involved in starting a business include:

- Deciding whether you have the right temperament to start (and persevere with) your own business
- Finding an idea

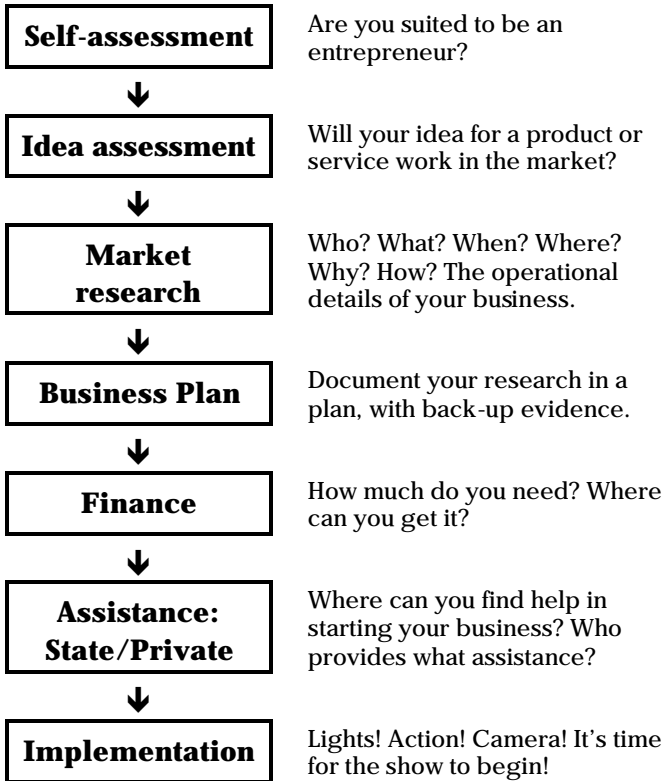
- Doing the market research — this involves finding out about your customers, your competition, how you will make your product or deliver your service, what price to charge, where your business will be located, how to market your product/service, what staff you require and with what skills and so on
- Writing a business plan — this draws together all the work you have done and presents it in a form that is readily understandable
- Finding the necessary money — since it's likely you won't have enough of your own capital to start, you'll have to raise money elsewhere
- Identifying and accessing sources of assistance — as the Directory shows, there are hundreds of organisations dedicated to helping small businesses get started
- Implementing your plan — this is where you put your plan into action.

Sometimes, in practice, these stages will not follow in the order set out above; in other cases, you will have to double back, perhaps even several times, to adjust the results of a stage because of new information you find out later.

For instance, your idea might be to sell to the local community a product that you make yourself. After doing your market research, you write your business plan and look for money on this basis but, as you proceed, you find that there is a national demand for the product. To supply it, you need to plan on a larger scale and need more money — so you revise your plans and finances accordingly.

Most of these stages in starting a business will be covered in this book. Some are dealt with in greater detail in other books published by *Oak Tree Press* and listed at the back of this book. Other stages, like finding an idea, lie with you alone.

STAGES IN STARTING A BUSINESS



ARE YOU SUITED TO LIFE AS AN ENTREPRENEUR?

Sadly, there is no fail-safe method of becoming a successful entrepreneur. Research, quoted in *You Can Do It* by Joyce O'Connor and Helen Ruddle (Gill & Macmillan, 1989 — currently out of print), shows that successful entrepreneurs have:

- Strong needs for control and independence
- Drive and energy
- Self-confidence
- A point of view of money as a measure of performance

- A tolerance of ambiguity and uncertainty
- A sense of social responsibility

and that they are good at:

- Problem-solving
- Setting (and achieving) goals and targets
- Calculated risk-taking
- Committing themselves for the long term
- Dealing with failure
- Using feedback
- Taking the initiative
- Seeking personal responsibility
- Tapping and using resources
- Competing against self-imposed standards.

How do *you* measure on these criteria? Be honest with yourself.

Very few entrepreneurs can lay claim to all of these characteristics. Making the most of your best characteristics and using ingenuity (including the skills of others) to bridge the gaps is perhaps the most frequently encountered entrepreneurial characteristic of all!

YOUR SUITABILITY AS AN ENTREPRENEUR

Where are you on each of the following, on a score from 1 (weak) to 10 (strong)?

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---------------------------------|---|---|---|---|---|---|---|---|---|----|
| Need for control/independence | | | | | | | | | | |
| Drive and energy | | | | | | | | | | |
| Self-confidence | | | | | | | | | | |
| Money to measure performance | | | | | | | | | | |
| Tolerate ambiguity/uncertainty | | | | | | | | | | |
| Sense of social responsibility | | | | | | | | | | |
| Problem-solving | | | | | | | | | | |
| Setting (and achieving) goals | | | | | | | | | | |
| Calculated risk-taking | | | | | | | | | | |
| Committing for the long term | | | | | | | | | | |
| Dealing with failure | | | | | | | | | | |
| Using feedback | | | | | | | | | | |
| Taking the initiative | | | | | | | | | | |
| Seeking personal responsibility | | | | | | | | | | |
| Tapping and using resources | | | | | | | | | | |
| Self-imposed standards | | | | | | | | | | |

However, despite the great variety of people who end up as business-owners, probably the most important personal characteristic for an entrepreneur is determination.

It's easy to start a business; it's more difficult to keep it going. When you are faced with long hours, with working through nights and weekends, with extended periods away from your family, and with the horrors of financial worries, the thought of a secure permanent pensionable job is tempting. Determination is what will see you through these lows until you break through to success!

You should also consider your general state of health. Both the physical and mental stresses of running your own business

can be very great. If you are driven to a state of collapse by the experience, you may leave your spouse and family much more exposed financially than would be the case if you were in a secure job with benefits attached.

You should be aware of the part your spouse and family will play in achieving your ambition of becoming an entrepreneur. Are they as committed as you are? Are they as willing to accept the lows as the highs? Without their support, you will find it difficult to start and develop your business. If they are actively pulling against you, quit now!

Part of the experience of running your own business is learning to apply the appropriate personal resource at the right time. For example, deciding to become an exporter at a time when your resources — foreign language skills, contacts, finances — are not adequate is to misuse an opportunity that might lead to success in other circumstances. A touch of realism instead would have revealed the impracticality of your plan.

So the first thing you should do when thinking about starting a business is to conduct a rigorous self-assessment:

- What skills and experience do you have?
- What training do you need?
- What characteristics do you have that will help (or hinder) you?
- Why do you want to start a business?

Write down the answers — it's not as easy to fudge uncomfortable answers in writing.

Then write your own application for the position of managing director and general factotum of your proposed business. Give your application to a friend not noted for tact and wait for the laughs. You need to be able to see yourself as others see you.

Are your keyboard and literary skills really up to sending out customer letters and writing marketing blurbs? Perhaps you excel in production and technical innovation? Maybe you need

to acquire other skills? If so, can you get by with a little training for yourself or should you buy in these skills on a freelance basis as and when required?

Will you need a management team, or are there family members who are sufficiently committed to help (and capable of doing so)? What will hiring all these people do to your costs?

Salaries usually represent a high percentage of costs in a small business. You need to be realistic about how many people you need, and how many you can afford — and what you do about the difference.

In terms of your business skills, you should consider, in addition to management experience, actual contacts and sales leads, as these are the concrete beginnings of your trading. If you plan to supply other retailers or manufacturers, you will be hoping to establish several guaranteed sales contracts before you finally start trading. If you are leaving employment to set up this kind of business, check that your employment contract allows you to canvass business on your own account (and time) while still an employee.

You should read this chapter again in a year's time. Why? Because you will only begin to discover the extent of your personal resources as you go along. Starting your own business will not only lead you to find hidden resources within yourself, but will build up existing strengths. It may also, of course, cause you to recognise unsuspected weaknesses, but recognising them is the first step towards correcting them.

START YOUR OWN BUSINESS COURSES

This book is designed to help you through the early stages of starting a business. Together with other books published by *Oak Tree Press*, it gives you an edge.

For further guidance, or for the comfort of meeting like-minded people who are about to embark on the same adventure as yourself, consider a *Start Your Own Business* course. These courses can be useful because they draw together all the

aspects of running a business — it is often easy to ignore those tasks that bore you or for which you feel ill-equipped.

Another advantage of attending a course is that you get to know advisers who may be useful to contact later with queries. Many of the courses run by State or State-related organisations are particularly useful for steering participants towards further support. For example, *City/County Enterprise Boards* increasingly offer Start Your Own Business courses to assist individuals in making the transition to self-employment.

In addition, many adult education centres — your local community or vocational school, for example — run Start Your Own Business courses during the winter evenings. Other courses are available commercially.

Organisations that offer start-up training to would-be entrepreneurs are identified in the Directory and include:

- *Area Partnerships*
- *Business Information Centre* at the ILAC Centre library
- *City of Dublin VEC* colleges, including *Ballsbridge College* and *Pearse College of Further Education*
- *City/County Enterprise Boards*
- *Dublin Business School* and other colleges that offer the *Institute of Business Planning's TENBizPlan* courses
- *FÁS*, through its Business Appraisal Training course
- *Liffey Trust*
- *Project Development Centre*, through its Enterprise Development, Prospect and Hothouse programmes
- *Regional Development Centre*, through the *Coca-Cola National Enterprise Awards*, its *Graduate Food Enterprise Development Programme*, and its *North East Platform Programme*.

How Do You Choose the Right Course?

Before you book a place on a course, meet the organisers. Ask about the backgrounds of the presenters. Those who run their own business or who, like many accountants and other professionals, make their living from advising entrepreneurs are the best bet.

Ask about the success rate of the course in establishing new businesses. Ask about the success rate of those businesses after two or three years. Remember that the average failure rate of new businesses is very high. Although a success rate of between 15 and 30 per cent may seem low, it is not exceptional — and need not apply to you, if you plan your start-up carefully.

Make an effort to find people who have completed any courses you are seriously considering, and talk to them. They are in the best position to know whether what they learnt on the course actually was of use in practice. Their answers will tell you whether you should take a place on the course.

If You Can't Attend a Course

If you cannot participate in a Start Your Own Business course, try to attend some of the seminars on specific aspects of enterprise development and small business management presented from time to time by the banks and other organisations. These are aimed at reducing the fall-out rate of business start-ups and are usually open to the public (sometimes for a fee). Watch the newspapers for details.

Otherwise, read as widely as you can in the area of enterprise and business start-ups. There are plenty of good books and newspapers and magazines (for example, *Business Plus* and *Running Your Business*) regularly publish special features that give useful advice.

INCUBATORS

Perhaps, instead of merely a training programme, what you need is a push-start. Here an “incubator” can help. An incubator is a programme/facility, usually focused on technology businesses, that encourages the faster development of a new business by providing a range of supports from workspace to finance to administrative assistance (and training, where necessary) in order to free up the entrepreneur to concentrate on the business alone. Sometimes, the term is used loosely to cover mere provision of workspace — if you’re offered incubation workspace, check what else is included.

Incubators include:

- *AcceleratePlus.com/Business-Incubator.com*
- *Business Incubation Centre*
- *Business Innovation Centres*
- *Community Enterprise Society Ltd*
- *Crosbie Business Centre*
- *Crucible Corporation*
- *Dun Laoire Enterprise Centre*
- *Enterprise Ireland*
- *Gorann Technology Venture Catalyst Ltd*
- *Growcorp Innovation Centre*
- *Guinness Enterprise Centre*
- *HotOrigin*
- *Innovation Centre*
- *Institutes of Technology and Universities*, most of which have Incubation (or Innovation) centres on campus
- *IRD Kiltimagh*
- *Kerry Technology Park*

- *Liffey Trust*
- *M50 Enterprise Platform Programme*
- *Michael Smurfit Graduate School of Business Hatchery*
- *Project Development Centre, through its Enterprise Development, Prospect and Hothouse programmes*
- *Regional Development Centre, through its Graduate Food Enterprise Development Programme*
- *Society of Saint Vincent de Paul*
- *SPADE Enterprise Centre*
- *University of Limerick Alumni Association Entrepreneurship Programme.*

START EARLY!

You're never too young to start thinking about enterprise and running your own business. Even if you're still in school or at college, there are programmes designed to attract you towards the notion of self-employment and to help you begin to gain the necessary skills. They include:

- *Enterprise Ireland Student Enterprise Awards*
- *Golden Vale Young Entrepreneurs Scheme*
- *Junior Achievement Ireland*
- *Shell LiveWire*
- *YoungE-Biz.com*
- *Young Enterprise Ireland.*

START-UP ALTERNATIVES

Of course, it's not always necessary to start a business from scratch. Brokers exist who will help you to identify and buy a suitable business, whose owner lacks the capital or enthusiasm to develop it further. Such brokers include:

- *Boylan & Dodd Corporate Services Ltd*
- *Company Broking Consultants*
- *IrishBusinessSales.com*
- *OpportunitiesIreland.com.*

If you do go down this route, make sure that you take professional advice before making any financial or legal commitment. And continue to read the rest of this book, since you will still need to plan for the development of your business.