

Business Start-Up

Course plan

This plan shows the structure of the course and gives an outline of the contents.

Self-assessment

Is self-employment right for you?

Course 1 Planning to start your own business

Topic 1 Is self-employment right for you?

Topic 2 Developing the business idea

Topic 3 Market research

Topic 4 Money matters

Topic 5 Sources of advice and support

Note: the first topic is available separately as a stand-alone self-assessment as well as being included in Course 1 for those who have not completed it.

Course 2 Succeeding with your own business

Topic 1 Formalising your business

Topic 2 Finance

Topic 3 Marketing and selling

Topic 4 Customer service and quality

Number of assignments/assessments

Five assignments called 'Progress checks' in Course 1 and four in Course 2, each course leading to an NEC Certificate of Course Completion.

Sample of the Business Start-Up Course from
Course 1 Planning to start your own business

Topic 2

Developing the business idea

Introduction

By working through this topic you will find out about the steps you need to take and the things you need to be aware of in the early stages of planning your business. You will feel better able to cope with the daily running of your business if you have thought through all the possible situations you may have to deal with and have some idea of what to expect.

Becoming self-employed needs careful planning. In this topic you will be considering the following questions:

- What is my idea? Is it a product or a service?
- What is my offer and how will I add value?
- Am I the 'product' and do I have the right skills?
- Can I buy in any skills that I don't have?
- Do I plan to employ others?
- Do I need qualifications?

'By failing to prepare, you are preparing to fail.'

(Benjamin Franklin, one of the Founding Fathers of the US)

Planning will help give your business a structure. It will also help you to use your time efficiently as setting up a business is a time-consuming process. It's not enough to be passionate about what you want to do. You will need your business to generate an income too. Without a structure or plan of

how you're going to operate your business, things may quickly start to go wrong and your business will become stressful instead of being satisfying.

Greg's gardening

In his first six months of running his gardening business, Greg was kept very busy. He was lucky to find lots of regular customers very quickly and the word soon spread in his area to the point where he had to make customers wait or turn them down. As a result of being so busy working on customers' gardens he had little time to complete the paperwork and administration of his business. His social life started to suffer because he was working so much and was always tired. He realised that he would not be able to grow his business and customer base while he was still trying to do everything himself.

Activity 1

(Allow 10 minutes)

In this example, Greg has clearly got off to a good start in having lots of customers. What effect do you think this situation will have on Greg? What do you think he should do?

Greg has fallen into the trap of thinking that having lots of customers and being busy all the time is enough to make his business a success. In reality, Greg has no time to develop his business properly. It's likely that the day-to-day administration of the business is being neglected. Greg will be feeling the stress of being constantly under pressure to take on more jobs and will eventually lose any enjoyment he had in the work.

Greg's experience should be a warning of the pitfalls of failing to plan properly. Don't fall into that trap yourself.

What is your idea?

You're thinking about starting up your own business. Great! What will you sell? What will you offer? Is it a product or a service, or perhaps a combination of the two?

A product is an item or items that people can buy. A service is something you provide to people, e.g. cleaning, gardening or plumbing. Are *you* the product? If it's you that people are paying for, do you have the skills needed to provide what you're offering?

You will have a chance now to start focusing on your idea and really look at what's good and not so good about it. How could you change it or add to it to turn it into something that could work better?

Activity 2

(Allow 10 minutes)

Use the template below to help you think about and define your initial business idea. Start by writing down your thoughts about what you'd like to offer. This could be an idea you wrote down in Topic 1 Activity 3 or a new idea that you've had since starting work on this course.

My idea for a business is:

Now think carefully about your business idea to check if it really is realistic for you before you go any further with the course. Ask yourself some key questions. Before you write down a 'definitely' answer think about how you know that's right. What evidence are you basing your answer on?

	Definitely	Not sure	Not really
Does your business idea suit you?			
Does it fit your personality?			
Is it something you are passionate about?			
Do you see yourself enjoying this in five years' time?			
Is there a need for this business?			

How do you feel about your business idea now? Does it feel exciting or does it leave you feeling unsure? Or perhaps somewhere in between? It's important to be honest about your feelings and acknowledge them so that you can address them properly and make changes if necessary.

If you've answered 'not really' to one or more questions on the list, then you need to reconsider whether what you're planning is realistic and achievable. It may be that you can adapt your initial idea in some way.

Something to be very wary of is thinking that your idea is great and not looking at it from any other point of view.

Activity 3

(Allow 30 minutes)

To complete this activity, you need to think very carefully about the product or service you're hoping to offer. Be tough on yourself! Try to think of your idea from someone else's point of view. If you were someone else, would you want it? Why? You need to think about all of the pros/advantages and cons/disadvantages of your product or service as a business. For example:

- Do you have the skills already or will you need to develop these?
- Would you need a lot of money to set it up?
- Would it be a difficult idea/concept to explain to people?
- Are there a lot of businesses already offering the same thing?
- Is there something different or special about what you want to offer compared to similar businesses? This is what we call a unique selling point (USP).
- Can you add value to your business offer? For example, if you're offering a gardening service, could you extend this to indoor plant care too? If you're selling parts for Triumph Herald cars, could this extend to become a sourcing parts service too?

My business idea:

Pros/advantages/strengths	Cons/disadvantages/weaknesses

Any other thoughts?

How can I add value?

Don't just look at the number of strengths and weaknesses and compare. Think about how significant each point is. If there are ten strengths but they are all fairly insignificant they might be completely outweighed by one huge weakness, or the other way round! Include all of your opinions about your product/service. You will have spent time thinking about it and may have thought of things that other small-business owners haven't.

Developing the idea

You have thought about your idea for a business and begun to look at the good things and bad things about that business idea. The next step is to look carefully at the disadvantages you listed to establish what can be changed or fixed.

It's about finding solutions rather than giving up. For example, if one of the disadvantages to your business is 'Expensive to set up' a possible solution could be to hire equipment instead of buying, to find less expensive materials or to consider seeking some kind of funding.

Activity 4

(Allow 30 minutes)

Copy the cons/disadvantages column from the previous activity into the column on the left below and see if you can think of possible solutions. Possible solutions might be: 'change my idea slightly', 'get training in that skill'.

My business idea:

Cons/disadvantages/weaknesses	Possible solutions
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Any other thoughts?

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You may have thought of some of the following, depending on the problems you've identified:

- get help and advice from an expert
- be less ambitious to start with
- talk plans through with friends and family
- look for sources of funding.

Have a look at the table that Greg completed to give you an idea of some of the things you might want to think about.

My business idea: Gardening services

Cons/disadvantages/weaknesses	Possible solutions
Need money to buy a van and tools	Sell the car to raise funds Investigate sources of funding
Need to find customers	Talk to friends and family to see who they know that would use a gardener Send out info on local social media sites to gauge interest
Not much work during the winter months	Think about other services I could offer like fixing fences or minor maintenance work

Any other thoughts?

It'll take time to find enough customers so I need to think about where I'll get money from to support me until I can build up enough customers to make it pay.

Don't worry if you haven't been able to come up with all the solutions yet. That's OK, there will be other chances to explore this, but this activity should have started you thinking in the right way and helped you flag up any areas that you need to consider. This should help limit any 'nasty surprises' later in the process!

Many successful business ideas change and develop but it's easier to make changes before starting the business than it is once the business is launched; that's why you're planning carefully now.

We asked our small-business owners how close the business they ended up with was to the first idea they had. Watch Track 11 on the DVD to hear how Neil adapted his initial idea into something that was more realistic.



My business has gone in a completely different direction now. My initial idea was to have vans driving around delivering fruit to customers but what I ended up with was a couple of vans delivering fruit to workplaces. **Neil**

The elevator pitch

At this stage you should have a clearer idea about what your offer is and what you might need to do to improve it. Now imagine you have just got into an elevator (to use an American term) with a businessperson who you know could help you. You have 30 seconds to impress him/her. You need to 'sell' your idea and make them want to support you. What will you say?

Activity 5

(Allow 30 minutes)

Use this template to help you put together your 'elevator pitch'. Answer each of the questions in the table as clearly and positively as you can. Remember the purpose is to 'sell' your business idea to others.

Step 1: Write notes about the good points of your business idea against each question. Leave the last question about why people should invest blank for now. You can return to it when you work through the topic on money matters.

What is your business idea?

What makes it special?

Why should people want to buy your product or service?

What's the USP?

Why are you the right person to make this business a success?

Why should someone invest in your business?

Step 2: Now imagine you're telling these points as a story. Put them in a logical order with a beginning, a middle and an end. For example, 'my idea is to offer A. My product is needed by B. This will benefit people because of C. The thing that makes my offer different/unique is D. It will be successful because E.'

This is your 'elevator pitch' and it's your moment to shine, to show what you have to offer and why you believe it will work.

Try reading it back as though you were the listener, hearing it for the first time. How did it sound? Impressive? Not quite? Try reading it out to other people; ask them for honest feedback so you can make changes if you think they will improve your pitch.

Ask yourself...

Yes/No

Does it have a beginning, a middle and an end?

Is it in a logical order?

Does it make sense?

Would it be clear and exciting to somebody hearing it for the first time?

Here are the points Greg thought of when putting together his elevator pitch. This may be quite different from yours as it will depend on your business idea but looking at this example may help you generate ideas of your own.

What is your business idea?	To set up a bespoke gardening service.
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What makes it special?	The level of customer service I will offer and the range of services.
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Why should people want to buy your product or service?

There are lots of professional people in my area who don't have time to look after their gardens. There is also a growing population of elderly people who need help and support to continue looking after their gardens themselves (for example I can design and build raised flowerbeds).

What's the USP?

Taking a real interest in what people need and want, making the services personal and 'bespoke' rather than just routine maintenance.

Why are you the right person to make this business a success?

I have a real love of working in the outdoors and know from my research that there's a demand.

Why should someone invest in your business?

Have you got the skills?

You are now going to look at the skills that you have (always more than you realise) and the skills that you would need in order to start your business. Don't be put off if it feels like you don't have the right skills; this is an important step in working out what's possible and what things you could do to make it possible.

You have already completed the skill scan in the self-assessment section of the course (Topic 1). This will have given you some idea of any skills you need to develop.

Identifying your skills

To take the skill scan a step further, you need to break your business down into sections that are as small as possible. Think of everything you possibly can that has to happen within the business. You need to establish which tasks you are confident in tackling yourself and which you will need some help with. Using a technique like 'mind-mapping' is a good way to do this. You can create a mind map on a piece of paper. It's not a formal document; it's a technique where you let your thoughts run freely and you scribble each one down until you can't think of anything more to add.

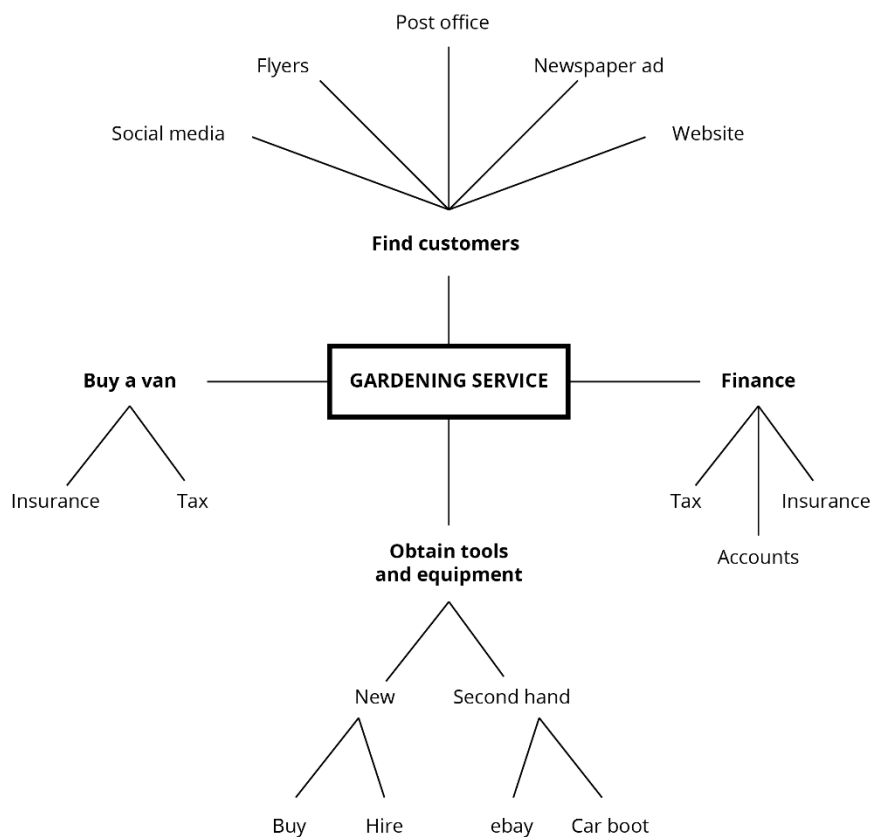
Activity 6

(Allow 30 minutes)

Write your business idea in the middle of a piece of paper. Then write around it all the things you can think of that you might need to do to get your business started. Thinking about one thing might prompt a thought about something else that's related to it. For example, 'equipment' might suggest 'buy' and 'hire'. Start to group tasks together. There are no rights and wrongs with mind-mapping. Put down every point that comes to mind, however random it seems. Think freely – no need to be neat or orderly.

You can add to your mind map as your ideas develop.

Have a look at Greg's initial mind map to give you some ideas.



Your mind map might also include some of the following:

- buy materials/stock
- add posts on social media
- record income and expenses
- talk to customers
- submit annual accounts
- pay tax
- pay rent

- research new products/services
- check the competition
- advertise the business.

It might help you to speak to somebody who is already doing a similar job or running their own business. The more you know now, the stronger your business plan will be.

At the moment you might be in the position of not knowing all of the tasks that will be involved, but your mind map will help you identify which tasks you feel confident to complete and which you might need some help with.

Can you buy in missing skills?

Now you can look at the tasks you've identified on your mind map and decide whether you have the skills needed. This will help you identify any areas where you might need to buy in help from someone else who has the skills you need.

Activity 7

(Allow 20 minutes)

Write the tasks you identified in your mind map into a table like the one below. Think carefully about how confident you feel doing each task. Tick the boxes if this is something you could do or something you could train for. If you don't feel at all confident, you may need to buy in those skills.

Task	Can do	Can train	Buy in

Whose skills would you need to buy in to help you in the running of your business? For example, do you have friends or family you could pay to help

you or is there another small business that could support you, e.g. by building a website for you? Note down your thoughts.

I need to buy in:

How does your list look? If there are more ticks in the first column than in the other two that's a good thing. If it's the other way around perhaps you need to think carefully about the product/service you're offering and ask yourself whether you need to alter it.

The more tasks you can do well yourself the better as this will help you minimise your outgoings, but you need to make sure you're using your time well. For example, if you struggle with book-keeping and accounts it makes more sense to pay someone else who has those skills and leave that time free to run your business and do the tasks you're good at.

Have a look at Greg's list. His biggest concerns were creating a website and looking after his accounts.

Task	Can do	Can train	Buy in
Buy a van, tax and insure it	✓		
Buy tools	✓		
Create flyers and newspaper ads		✓	
Set up a website			✓
Do my accounts			✓



Watch Track 12 on the DVD to hear about the services Neil buys in for his business.



The most important is our accountant. We're not trained in accounts ourselves so it's important, particularly when we have to submit our accounts to HMRC. We start very early in the morning and finish working at lunchtime so we outsource to a telephone answering service in the afternoons so our phone is answered for us.
Neil

At this point you could do some research to get a rough idea of the hourly costs of the skills you need to buy in. This will help when you start to look at financial planning in the next course; *Succeeding with your own business*.

As your business grows you may find you need to buy in skills and services because you're too busy to do the tasks yourself, even where you have the skills to do them. This is something else we will look at in more detail in Course 2 when we consider the costs of buying in against the benefits. For example, if the cost of employing a book-keeper for a couple of hours a week is substantially less than you can earn in the same time, then the benefit to your business outweighs that cost.

Do you need qualifications?

Thinking back to the skills you need to successfully run your business (refer back to Topic 1 Activity 6 too), this section is about 'plugging the gaps'. You might need qualifications in order to carry out some aspects of the work, for example, to carry out electrical work, beauty treatments or a plumbing service. Or your qualifications might simply help you to do a better job.

Whatever your feelings about having or needing qualifications, some might be necessary for you to run your business legally. There may also be others that, although not compulsory, will help give you credibility with your customers.

You need to be clear, first of all, about which qualifications, if any, you need to have to be compliant with the law. Here are some examples:

- first aid at work
- food hygiene
- manual handling.

There are also qualifications related to vocational occupations which, although not necessarily compulsory in allowing you to run your business, will help you develop your expertise and show your customers that you are a professional. These could include an NVQ in a given occupational area, such as care work, hospitality, carpentry, motor vehicle maintenance or administration.

You might also want to think about whether your confidence in English and Maths skills is strong enough to cope with the day-to-day communication and finance you will need to deal with. These are areas where you can get support and help to develop your skills if needed.

Activity 8

(Allow 20 minutes)

What qualifications do you need? Do some research to check if there are any that the law requires you to have to run your business.

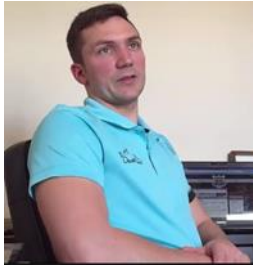
You might like to look back at the self-assessment section of this course (Topic 1) to see what you identified there too.

Note down any qualifications you should consider taking in the table below. List any that you **must** have to keep your business legal as well as any that would be good to have to help your credibility with your customers.

Qualifications I need to have	Qualifications it would be useful to have
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Watch Track 13 of the DVD to see Steve talk about the qualifications he had to get to become a personal trainer.



I had to get a Level 2 in Fitness Instructing and then a Level 3 in Personal Training to enable me to get a 'REPs' membership which means I'm on the Register of Exercise Professionals. This means I'm insured and registered as an official personal trainer in the UK and Europe.
Steve

If you have identified that you need some qualifications or training, you can now decide how to go about achieving them. There are lots of options and it's important to choose the method of learning that works best for you. It's worth doing some research about training providers you could use to make sure they will give you the right support. Reading customer reviews is one way of judging how good a provider is. You should also think about whether you need the interaction of learning with a group of people or whether you prefer to study on your own at your own pace.

The main options are:

- part-time courses at a local college or school
- online courses where you work through self-study resources on your own
- blended learning where you study through a mix of online or printed resources with the support of a tutor who works with you remotely, rather like this course

Activity 9

(Allow 10 minutes)

Whatever method of training you choose, there will be advantages and disadvantages and you need to weigh these up in making a decision. Think about what these might be in your particular circumstances and complete the table on the following page.

Method	Advantages	Disadvantages
Attending a course		
Online course		
Blended course		

How you feel about the different methods will be personal to you but you might have come up with some of the advantages and disadvantages below.

Method	Advantages	Disadvantages
Attending a course	<ul style="list-style-type: none"> Learning with others Regular access to a tutor for support Enables you to complete any practical assessments if you're studying for a vocational course 	<ul style="list-style-type: none"> Attending at a given regular time Need to travel to venue Working to the course schedule (though this can be an advantage if you're someone who needs deadlines!)
Online course	<ul style="list-style-type: none"> Learning at your own pace Being able to vary when you study Fees may be less as have access to a wide range of national providers 	<ul style="list-style-type: none"> Working in isolation Need discipline and motivation to study regularly May have to attend a centre for any practical assessments that are needed

Blended course	Learning at your own pace but within a structure	Need discipline and motivation to study regularly
	Access to a tutor for support and advice	Fees may be higher than online only as individual support from a tutor is included
		May have to attend a centre for any practical assessments

Don't be daunted by finding out you have to train for something: it will help you to achieve your goal and to achieve it well. You can be doing other things to prepare for your future business while you're learning. If you do feel that the steps you need to take are not within reach at the moment, you could consider altering your idea so that it becomes achievable without having to complete training first.

You should now have a more solid idea of what your business will be and what you need to do to be able to deliver it.

The next stage is to look at market research and why it's important to know that there's a market for your product or service *before* you launch it as a business.

Before you move on to the next topic, complete Progress check 2 and send it to your tutor for feedback.

Progress check 2

In this progress check you will be able to use all of the information you have gathered in this topic, pulling it together into something that is meaningful and useful to you as a reference for the next steps.

Imagine you are going to meet with a business coach who is interested in supporting you in your business. You need to present them with your idea and planning so far. Use the template on the following page to formalise your thoughts. This will help you present your ideas. You don't need to write a lot. In each section you are just pulling together all the thoughts and ideas you have already noted down in the activities you've completed for this topic.

Introduction

Briefly introduce your idea, say what is special about it and why you believe it would work

Owner profile

A brief summary of yourself, showing why you are the right person to run this business and outlining the skills and knowledge that show your suitability

The pitch!

More detail about your product/service including its benefits and why people would need it

Identified challenges

Details of any possible hurdles/obstacles and what you could do to overcome them

Progression plans

How you could improve the product/service, possible future plans to add value to your offering

Summary

Explain the stage you have reached so far and what the next steps are

What next?

We hope this sample has helped you to decide whether this course is right for you.

If you have any further questions, please do not hesitate to contact us using the details below.

If you are ready to enrol, you have different options:

- **enrol online** – for many courses you can enrol online through our website. Just choose your course, click ‘enrol now’ and then checkout
- **enrol by telephone** – just call our course advice team free on 0800 389 2839 and we can take your details over the telephone
- **pay in full** – you can pay in full with a credit or debit card
- **pay in instalments** – if spreading the cost would be useful, we can arrange that for you. Just call our course advice team to organise this.

Contact us

There are many ways to get in touch if you have any more questions.

Freephone: 0800 389 2839

Email us: info@nec.ac.uk

Website: www.nec.ac.uk

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