



Five ways to
start your
company today

Five ways to start your business today

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It starts with an idea

If you find yourself wondering where to start with launching your own business, this guide is for you. You already know that starting a company can be an intimidating process that requires endless hours of hard work. Numerous questions have been lingering with you day and night. Maybe you have always dreamed of opening your own shop or consulting firm or are unhappy with your current position. Perhaps you need a drastic change in your life. Regardless of the reason, starting your own business can be an exciting and rewarding process.

‘Desire is the starting point of all achievement.’

– Napoleon Hill

Getting started

At this point, you have already taken care of the foundation. You have weighed the pros and cons; you are ready to put your brilliant idea into action. Now that you have cut yourself free from commitments that might hold you back, it is time for the practical work.

Five ways to get started today:

1. **Define your business idea**
2. **Analyse your market**
3. **Create your business plan**
4. **Finance your business**
5. **Register your company**

A closer look at these 5 points

1. Introduce your business idea

You may have thought of a product you have always wanted to make, or a service you feel people need. It might even be something people do not know they need yet because it has not yet been invented. To start things off, begin a conversation with people who are bright and creative. Invite them to join you for a casual brainstorming session. The idea is not to create a business plan, but to generate a potential idea that can help you improve. Consider your talents, experience, and knowledge. If you have a particular skill set or talent, consider how these resources can be applied to meeting a market demand. When you have your idea, it is time to start planning.

First things first, you must start with defining a name for your businesses. In the midst of all the planning, many entrepreneurs forget the importance of having a great name. It is best to keep it short, simple and direct. The more readily your name is remembered, the better.

- Define a name for your idea or business model
- Add a logo for your idea or business model
- Name the founders and the team
- Specify the skills you have and the ones you need to gain

'Our secret is simplicity. We found that people like us because we're simple.'

-Nachos González-Barros, Founder of MailTrack

What your business idea should define

The vision: Meaningful companies are built on a strong, timeless vision. Let us look at some examples:

- "To organize the world's information and make it universally accessible and useful." -Google
- "To be the pulse of the planet" -Twitter
- "To be earth's most customer centric company; to build a place where people can come to find and discover anything they might want to buy online." -Amazon

The vision for a company must be strong for years at a time. Social networks, trends and technologies all come and go, and your company must stay relevant regardless. Google does not mention search, Amazon does not mention books, and Twitter says nothing about apps or tweets. This is long-term thinking. You cannot base your company around current technologies, trends, or other companies. It is about what you are doing for your customers. ¹

Your business goals

The most important rule of self-evaluation and goal setting is honesty. According to the staff of Entrepreneur Media Inc., going into business with your eyes wide open about your strengths and weaknesses, your likes and dislikes and your ultimate goals lets you confront the decisions you will face with greater confidence and a greater chance of success.

Setting goals is an integral part of choosing the business that is right for you. After all, if your business does not meet your personal goals, you probably will not be happy waking up each morning and trying to make the business a success. Eventually, you will stop putting forth the effort needed to make the concept work.

SPECIFICITY. You have a better chance of achieving a goal if it is specific. "Raising capital" is not a specific goal; "Raising \$20,000 by January 1st" is.

OPTIMISM. Be positive when you set your goals. "Be able to pay the bills" is not an encouraging goal. "Achieving financial security" phrases your goal in a more positive manner, thus firing up your energy to attain it.

REALISM. If you set a goal to earn \$250,000 a month when you have not earned that much in a year, your goal is unrealistic. Begin with small steps, such as increasing your monthly income by 25 percent. Once you have met your first goal, you can reach for larger ones.

SHORT AND LONG TERM. Short-term goals are attainable in a period of weeks to a year. Long-term goals can be for five, 10 or even 20 years; they should be substantially greater than short-term goals but should still be realistic

Having a clear structure makes your business more attractive to investors. They gravitate toward companies that have well thought out ideas and a clear direction. A defined structure, including job descriptions, is an important marker for serious investors.²

¹ D. Traynor, 'Why Startups Need a Strong Vision' *Intercom*, [web blog], blog.intercom.io/why-startups-need-a-strong-vision, (accessed 08 February 2016).

² P. Hull 'Why Defining a Corporate Structure for Startups Matters,' *Forbes*, February 06 2013, <http://www.forbes.com/sites/patrickhull>, (accessed 08 February 2016).

2. Analyse your market

It is easy for founders of start-ups to believe the whole world will love their products. After all, founders eat, sleep and breathe their products. The reality is that only a small portion of the population is interested in your product.

If you try to market your start up to everyone, you waste both time and money. The key is to identify a niche target market and go after market share aggressively.

How do you choose a market? Consider these four factors:

1. **Market Size** – What demographic are you targeting? Women in their 30s? Children? Know exactly how many potential customers are in your target market.
2. **Market Wealth** – Does your market have the money to spend on your product?
3. **Market Competition** – Is your market saturated? Are there many competitors?
4. **Value Proposition** – Is your value proposition unique enough to cut through the noise?



‘It comes down to finding something you love and then just trying to be great at it.’

– Marc Cuban

3. Create a business plan

A business plan is a roadmap. It is something that you will use to chart your progress and that will outline the steps you need to take to reach your goals.

If you will be seeking outside financing, a business plan is not only helpful, but also necessary. If you are going to finance your venture independently, a business plan will help you gauge how much money you will need in order to get started and what needs to happen going forward.

Even if you do not think you need a business plan, it is wise to go through the process anyway. It will help uncover potential grey areas.

To write a formal business plan, follow the outline below:

- Executive Summary
- Company Overview
- Market and target
- Products or Services
- Marketing and Sales Plan
- Milestones and Metrics
- Financial Plan

Writing out a business plan can seem like a daunting, time-consuming task – and it can be if you begin unprepared. However, there are many solutions available to help entrepreneurs with this process. [Business planners](#) are tools that will help you to avoid mistakes when writing and maintaining your business plans and aid in creating a business plan you will be proud to present to potential investors, suppliers, partners, employees or customers.

4. Finance your business

To make a profit out of your goods or services, you must manage your finances and cash flow carefully. What are the best ways to do that? It is useful to develop a financial plan to keep track of finances going in and out of your company. For example, one model for your business might be to spend:

- 50 percent of revenue on expenses (payroll, supplies, etc.)
- 30 percent of revenue on building the business (expansion of equipment or recruiting costs)
- 20 percent of revenue on the future (developing new products and services)

Of course, this will differ from one company to another, but having a plan in place will help you financially.

Being able to make rational financial decisions based on the facts is important for business owners. Starting a new business can be exhilarating. Being free of employment constraints means you can make any financial decision you want. Some of those will be good, others will not. Like all areas of life, learning to run your own business comes through experimentation and occasional mistakes. All successful entrepreneurs have made mistakes – they are important.

The money you receive obviously has value to your business, but so does the money you spend. Getting value for money is important in both directions:

- Pay all your bills on time to avoid being charged interest and negatively affecting your credit score/rating.
- Look into the pros and cons of accepting different payment options such as cash, credit cards, PayPal and other options. Charges for receiving payments will eat into your profit margin, but convenience helps your customers to pay you.
- Research the costs associated with buying or leasing equipment. There could be hidden fees for maintenance or damage, not to mention different effects on your tax bill.
- Save money by educating yourself about tax legislation, insurance requirements and retirement fund financing.
- Consider bartering (trading goods and services) if it will reduce payment costs. Be aware that many countries treat this as a taxable transaction.

- Good accounting software will break down your accounts in fine detail, so you can see the monetary cost of payments into and out of your business.
- Get a bank loan. Before asking in the bank for a loan, you should know what you could use as security. For example, your house or other assets you may have.
- Try crowdfunding. Crowdfunding sites like Kickstarter.com have proven to be an effective way to raise money for a relatively low cost. To get started, set a goal of how much money you would like to raise over a specific period of time. For example, you would like to raise 2,000 over 50 days. After you set up your crowdfunding site, you can share your goal with family, friends and strangers, who can use the site to pledge money.
- Attract an angel investor. An angel investor is an affluent individual who provides capital for a business start-up, usually in exchange for convertible debt or ownership equity. When pitching to an angel investor, all of the traditional rules apply: be succinct, avoid jargon, have an exit strategy. Here are a few tricks:
 - Add experience: Seeing some grey hair on your management team will help ease investors' fears about your company's ability to deal with a tough economy.
 - Do not be a fad-follower. Did you start your company because you are truly passionate about your idea, or because you want to cash-in on the latest trend? Angel investors can spot the difference.
- Innovation communities. Government and private organisations have great input on how you can finance your business.
- Change your plans. If you cannot find money to finance your business, change your plans. It might hurt, but re-thinking your strategy due to lack of funding might be a good idea.

5. Register your company

Once you have decided which form of incorporation to choose for your enterprise, it is time to register. You must decide whether to engage an accountant and/or an auditor. There is no formal requirement to have an accountant, but in some cases, it is required that your business has an auditor. You should familiarise yourself with your country's regulations regarding tax and duties, accounting and auditing obligations and other requirements for your type of business. If you get it right initially and establish good procedures, you will save much work later on.³

Do this through the registrar of companies, and with the tax office. The details of your legal forms and preparations will vary depending on where your company is based. Check your government's business website for more details.

Conclusion

The steps in this guide are important, but they do not *guarantee* success. Only you can do that. Successful businesses keep going when others give up. Having that inner drive is what defines a successful business owner. More than anything, your attitude will help determine whether your business becomes a success or not. Keep going and remember that your hard work and dedication will pay off. Stay nimble and be prepared for challenges - and go for it.

³ Altinn 'Start-up' and registration, *Altinn*, February 07, 2016 www.altinn.no, (accessed February 08 2016).

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About Visma

Visma is the Nordics leading supplier of business software and services. For more than 15 years Visma has been leading the way with business solutions; and is now set to do the same with its revolutionary cloud solution – Visma.net. Visma has not simply moved its existing on-premises solution to the cloud; it has built Visma.net in the cloud.

So as the Nordics leading supplier of business software and services, Visma is the vendor with the experience and expertise to take your business to the cloud.

About Visma.net

Visma.net is Visma's flagship cloud offering. It is an online business solution that connects your team and your data through online tools.

It promotes smarter working practices that help you stay ahead of the competition.

Visma.net includes a complete set of fully integrated services; Financials, CRM and Expense Management are just a few examples.

Who is it for?

Visma.net satisfies the professional user's demands for speed, functionality, flexibility and reliability, while the design and user-friendliness, makes tasks easy and efficient to perform for all users.

So whether you're a company of five or five thousand employees, Visma.net will meet your needs so you can run your business efficiently.