



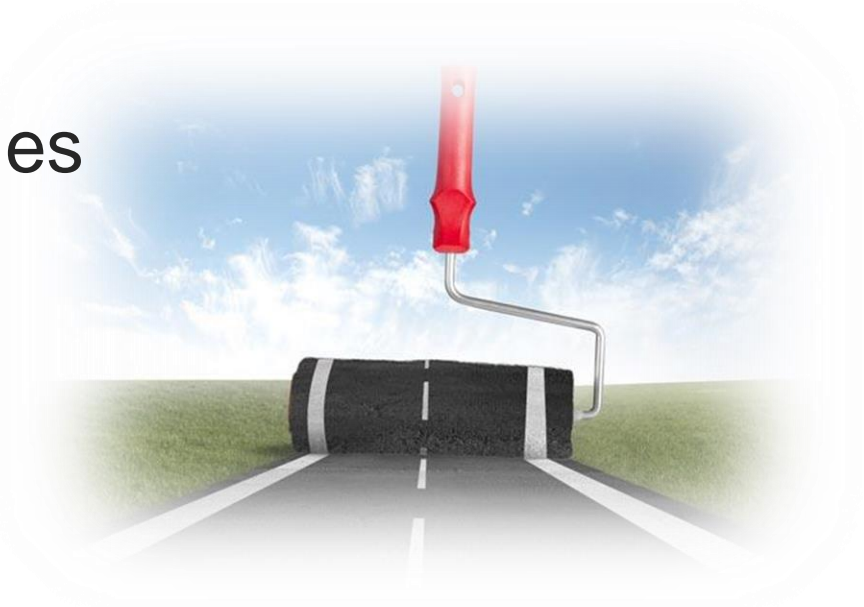
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# Business Basics - Planning & Financing your Business

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# Why Plan for your Business?

- To act as a roadmap
- Set targets and milestones
- A viability test
- Attract investment
- To be a time capsule/ future reality check



# Business Idea

- Clear idea of what you want to do
- Know how you will do it
- Who will you provide your services to?
- Where do you find customers ?
- Be aware of your strengths
- Know your weaknesses



# Business Plan

Executive Summary

Business Idea

Personal Skills

Market Research

Product Service Overview

Marketing

Operations

Financial Plan:

What to charge per hour/unit

Break-even sales required

Cash Flow and Profit & Loss Forecasts



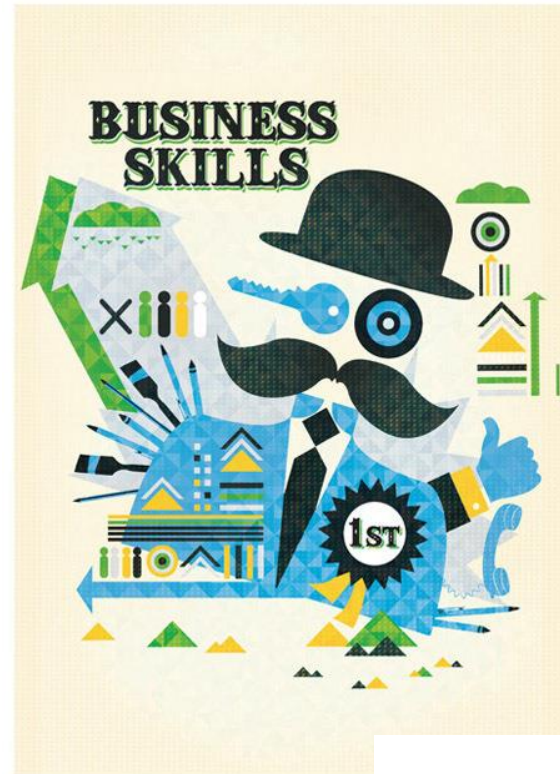
# Writing Your Business Plan

## Business Plan:

- Framework for your business idea
- Helps to gain credibility, obtain funding and manage risk.
- Describes the aims and objectives of your business, its market, strategies and financial forecasts.
- Highlights your intentions and ambitions over the next three years

# Things to consider - general

- Finding a Business Opportunity
- Market Research
- Your Unique Selling Point
- Business Planning
- Marketing/ Promotions
- Joining Professional Associations
- Contracts ( T&C's)
- Pricing



# Things to consider - specifics

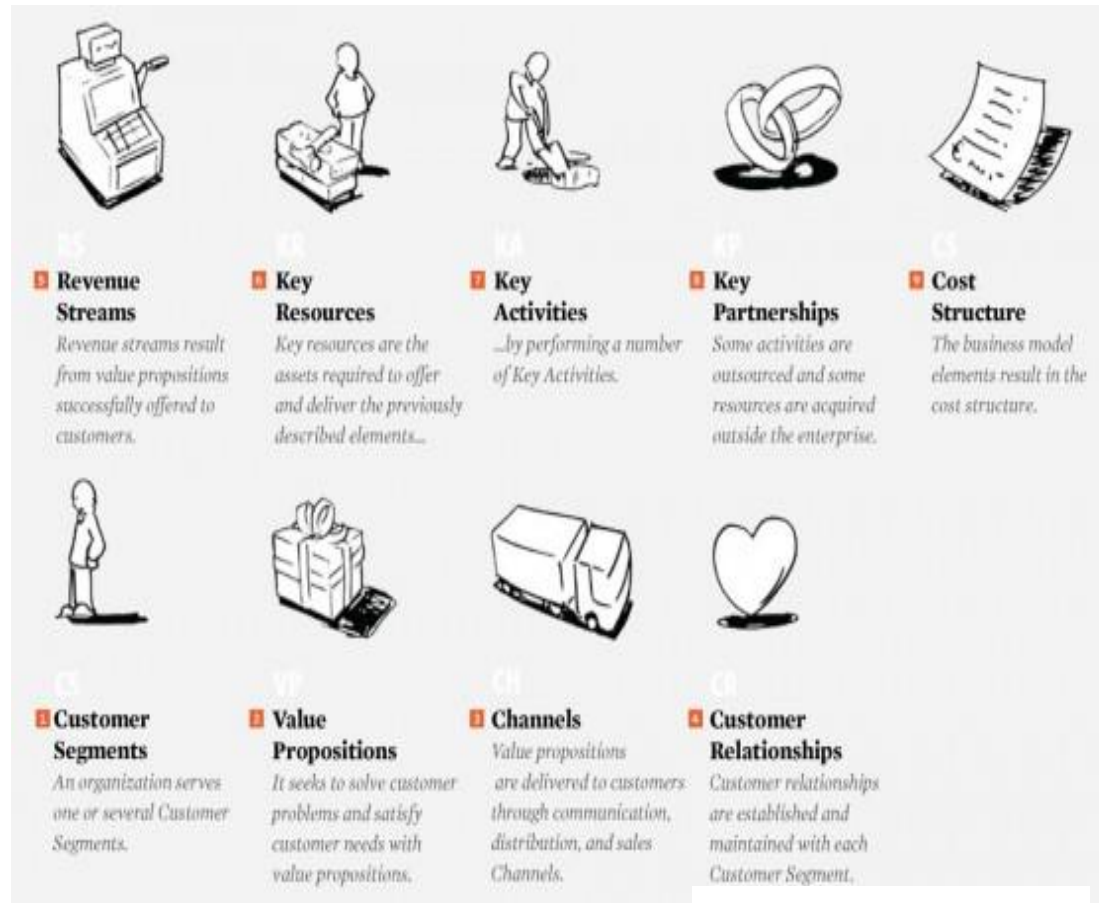
- Specialist Equipment
- Specialist Software
- Studio/ Office space
- Legal Issues
- Tax & VAT
- Copyright / Licensing
- Insurances



# Introduction to the Business Model Canvas

**Business Modelling starts with 9 building blocks:**

1. Customer Segments
2. Value Proposition
3. Channels
4. Customer Relationship
5. Revenue Streams
6. Key Resources
7. Key Activities
8. Key Partners
9. Cost Structure





# Know your customers -

Understanding your customers is key to establishing the most effective way of making your product or service available to them.

The more you know your customers, the more able you are to build a strong customer relationship and the more loyal they will be.

# Research Your Customers

What are the characteristics of your target customers in terms of age, gender, profession & location

How much are they prepared to pay and how often?

Why do they buy? – what drives your customers to make a purchase. What are their priorities and values?

Who is involved in the buying process?

When are they likely to buy?

Where are they likely to buy?

What will make them buy from me?

How will they buy from you?

Which other brands do they buy and why?

# Research your Competitors

- Who are your competitors, and how many do you have?
- Where are they located?
- How long have they been trading?
- What do your competitors sell, and how do they price their products?
- Where do they buy their stock?
- Who are their target customers?
- What distribution channels do your competitors use?
- What are your competitors' strengths and weaknesses, and how can you make your business different from theirs?

# Finances

How much money do you need to start up?

Are there any Capital Costs?

Software

Computer

Equipment

How much of your own money have you put in?

How will you live in the early stages of your business?



# Types of costs incurred by a start up

Start-up costs

Fixed costs

Variable costs



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# Start-Up Costs:

Overhead/Cost:	Amount:
Rent/Rates and Utilities	
Insurance	
Design and Manufacturing	
It Services and Web Hosting	
Marketing	
Vehicle and Travel	
Equipment	
Machinery	
Total:	



# Finances

## Fixed Costs

Rent

Rates/Council Tax

Insurance -

- Public Liability,
- Professional Liability
- Employers Liability

Motor Car – Business use

Contents/Equipment Insurance

Electricity/Gas/ Water



# Finances

## Variable Costs

Wages

Materials – programs, printing paper, ink

Laundry of uniform, towels etc

Phone:- rental + calls

Travel to and from clients if mobile





# Where to Get Finance

- Savings
- Family & Friends
- Bank or Building Society
- Grants
- Investors
- Loans
- CrowdFunding



# Main Sources of Funding

## Family & Friends

How much do you need?

Will they expect rate of return?

How will you and they feel if the business fails?



# Grants

100% Grants now difficult

Mostly now 50% Grants & 50% Loan

- Certain Sectors
- Geographic
- Certain Projects

Some 100% Grants are available for Third Sector (Social Enterprise, Charities & Co-ops)

e.g. Big Lottery (Awards for All, Sport England, Heritage Lottery) , UnLtd, SPORTED, Health Lottery, Salford CVS. plus a number of other funding bodies



# Grants & Loans

Regional Specific e.g. Regenerate Pennine Lancashire 50%

[www.regeneratepl.co.uk](http://www.regeneratepl.co.uk)

Manufacturing Advisory Service 50%

[www.mymas.org](http://www.mymas.org)

The Prince's Trust

Support for 18 - 30 year olds

Financial and business support

Up to £5,000 start-up loans

<http://www.princes-trust.org.uk/>

# Investors

Growth Company Angels

<https://www.growthco.uk/what-we-do/gc-angels/>

Take risks so need high % of shares and high return

May charge a management fee as well

Not long term – Need high return to invest further

Exit Plan

Buy their shares?

*Sell the business to the trade?*

*Float the company on AIM?*



# CROWDFUNDING

- [www.Crowdfunding.com](http://www.Crowdfunding.com) – A great guide and resource
- [www.kickstarter.com](http://www.kickstarter.com) – Commercial Creative Projects
- [www.indiegogo.com](http://www.indiegogo.com) – Commercial Technology Projects
- [www.fundus.salford.ac.uk](http://www.fundus.salford.ac.uk) – Social Enterprises
- [www.fundly.com](http://www.fundly.com) – Social Enterprises
- [www.uk.gofundme.com](http://www.uk.gofundme.com) - Events
- [www.justgiving.com](http://www.justgiving.com) – Charitable Causes



# Testimonials and Referrals

- Ask for testimonials and reviews wherever possible
- 3<sup>rd</sup> party endorsements carry most weight
- Make your clients your best sales force!
- Add to your website, social media and marketing
- Can you collaborate with complimentary businesses to share your client base?
- Incentives – e.g. 10% discount on order

