



CAB CREATE A BUSINESS

6 STEPS TO CREATE YOUR BUSINESS



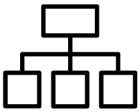
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6 steps to create your business

What is a Business Plan?

A business plan commits to words, your **'vision'** and the means by which you will achieve it. It is a living document.

It describes your product or service, identifies who the customer is, explains why they need your product or service, and shows how you'll make money from that opportunity.

Why write a Business Plan?

How you write a business plan will depend on what you need it to do. There are a few key purposes a business plan can have:

- demonstrate a business idea and its viability
- provide a roadmap for your business success
- support funding applications

Why every business should start with a Simple Plan

Even if you will eventually write a long business plan, a simple business plan is a great place to start. It could take as little as an hour to do your first draft and will make your idea stronger.

Writing about customers, competitors, income and expenses will help develop your thinking.



How to write a business plan

Writing a business plan for a new business can be a challenging task, but it can also help you to clarify your vision, goals, and strategies for success. A business plan is a document that describes the important parts of your business, and how you plan to run it. It can also help you to attract investors.

There are different types of business plans, depending on the purpose. For example, a simple business plan might be suitable for a small or home-based business, while a detailed business plan might be required for a larger or more complex business.

Type of business plan	Audience	Length	Content
Simple Business Plan	Yourself and Business Partners	1-2 pages	Overview of idea, goals, market, products, services and financial projections
Detailed Plan	Banks, investors or grant providers	10-15 pages	A comprehensive description of your business, including an executive summary, company profile, vision and competitor analysis, marketing & finance plans and financial projections

To write a business plan, you will need to include some essential elements, regardless of the plan you choose:

Know and describe your product. Use this section to describe your product and how you see it coming to market.

- What are the main products or services that you offer?
- What are the unique selling points or value propositions of your products or services?
- What are the problems or pain points that your products or services solve for your customers?
- How will you deliver your products or services to your customers, and what are the costs and risks involved?
- How do you ensure the quality and reliability of your products or services, and what are the warranties or guarantees that you offer?
- How do you plan to develop or improve your products or services in the future, and what are the opportunities or challenges that you face?

Do your market research. This section should demonstrate that you have a thorough understanding of your industry, market, and customers, and that you have done your homework to validate your business idea.

- What is the size and growth of your industry, and what are the trends and drivers that affect it?
- What is the size and segmentation of your market, and what are the characteristics and behaviours of your potential customers?
- What are the needs and preferences of your target market, and how do you plan to meet them?
- What are the barriers or challenges that you face in entering or expanding in your market, and how do you plan to overcome them?
- Who are your potential competitors, and how are you different?

Outline your marketing and sales plan

This section should describe how you plan to attract, retain, and grow your customer base. You should also explain the marketing mix that you will use:

- What are the main marketing channels and tools that you will use to reach and communicate with your target market?
- What are the main sales channels and methods that you will use to sell and distribute your products or services?
- How do you price your products or services, and how does it compare to your competitors and the market? (your pricing strategy)
- How do you promote your products or services? (set money aside for marketing/sales promotion in your financial projections)

Prepare a financial projection

This section should provide a realistic picture of the projected financial performance of your intended business, and how it relates to your goals and strategies. The prime objective in this part of the plan is to assess financial viability of the planned venture:

- Prepare a simple monthly profit and loss spreadsheet to project your hopeful feasible sales, related costs and your business expenses for 12 months forward.
- Prepare a comprehensive list of startup costs associated with the planned business venture. These should be included as Start-up Costs in month one of your profit and loss spreadsheet projection (as above)
- The projected profit and loss spreadsheet will quickly determine the likely financial viability of the venture and also, any potential funding requirements.
- Note that, once you've embarked on the business and employed appropriate interactive accounting software to record financial transactions and monitor financial performance, regular formal reporting, financial analysis and forecasting will be essential for ongoing success.

CHECKLIST

BUSINESS PLANNING

DESCRIBE YOUR BUSINESS IDEA

Write a brief overview of the business, including your business name, location, mission, goals, products or services, target market, competitive advantage and financial summary.

DESCRIBE HOW YOUR BUSINESS/COMPANY WILL OPERATE

- What will your business do and how will it operate?
- What is the structure of your business?
- What is the background of your business?
- Where will the business be located?
- Who will own your business?
- What is the 'vision' you have for your business?
- What will your business look like 5 years from now?

STATE YOUR BUSINESS GOALS FOR 2 & 5 YEARS

- Outline the specific and measurable objectives that you want to achieve in your business.
- How will you measure its success?
- Describe the product or services
- Demonstrate your market research
- Demonstrate your marketing and sales plan
- Make financial projections



Market Research for new businesses

As a start-up, you need to figure out who's going to buy from you (customer research), and who you must compete with to get that sale (competitor analysis).

Customer Research

By understanding your customer, you can:

- build better products and services
- learn how people make purchase decisions

Competitor Analysis

By understanding your competitors, you can:

- appreciate what they do well
- work out what you can do better

How do I conduct market research?

It's a good idea to figure out who your customers are first. That is the most important relationship for your business.

Create a customer profile:

Describe the person or business that will buy from you. For consumers, think of things like their age group, location, and interests. For business customers, think of things like their industry, size, and location. Start by checking out who buys from known competitors.

Use the internet: Search for information on the group you've just described. There may be existing studies into those types of people or businesses which you can use as a starting point.

Ask questions: Find people who fit your customer description and ask them questions e.g., what do they need from a business like yours? Where do they get that product or service now? what's good about that business? and what could be better or not available at all?

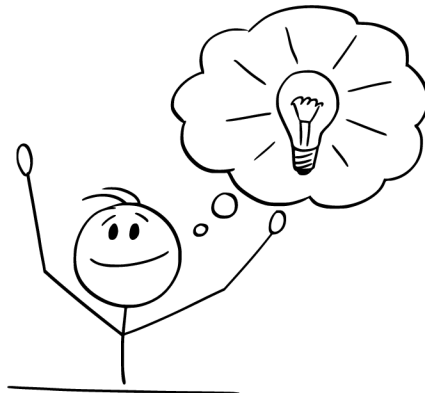


Research creates
new knowledge

Market research methods

How do you get information about people and their preferences? There are a few tried and true market research methods;

- **Search the internet:** Search for public studies in your customer group. And follow what those people say on social media and community groups.
- **Have one-to-one conversations:** Ask open-ended questions and let respondents do the talking.
- **Host workshops or focus groups:** Ask questions to a whole group of customers at once. You'll get deeper answers because people will spark off each other.
- **Run surveys:** Ask a lot of people the exact same questions to generate really good insights and statistics.
- **Start a community:** If your customers are enthusiasts, bring them on your startup journey. Share updates, ask questions, and invite them to be testers.
- **Give something to get something:** Free catering will get people to your focus group. A prize draw will encourage people to fill out your survey.
- **Marketing Company:** You may prefer to engage a marketing company's services to do any or all of this on your behalf.



How to do a competitor analysis

You don't need a big budget or a stats degree to go do some market research. Asking a few key questions of a few target customers and doing some competitor analysis can give you the smarts to build a winning business.

Market research is a valuable tool for starting a new business. It can help you to understand your potential customers, their needs, your competitors, and the viability of your product or service. There are many sources and methods of market research, but the basic steps are:

- Define the problem or opportunity
- Develop your research plan (*example below*)
- Conduct your research
- Analyse your results
- Create an actionable report
- Implement your findings

Research Plan

- **Identify your competitors:** Some competitors will be obvious from the beginning. But you will find more by asking customers who they buy from now. Think about indirect competitors, which sell a variety of products but go after the same dollar (they might sell cupcakes versus your doughnuts).
- **Compare them to each other:** Competing businesses often go after different parts of the market. One will be the premium option, while another will compete on price. Or perhaps they will target different age groups or locations. Map how they relate to each other.
- **Find where you fit:** Where on the map will you go? Measure your strengths and weaknesses against your competitors and figure out where you have an advantage.

....and that is how to do market research!



Now, I can clearly see my customers!

CHECKLIST

MARKET RESEARCH

WHAT IS YOUR CUSTOMER PROFILE?

Describe the person or business that will buy from you. For consumers, think of things like their age, location, and interests. For business customers, think of things like their industry, size, and location.

WHAT IS YOUR COMPETITOR PROFILE?

- **Direct competitors:** These are the competitors that offer the same or very similar product or service as yours and target the same customer segment.
- **Indirect competitors:** These are the competitors that offer a different but related product or service that can satisfy the same customer need or want as yours.
- **Substitute competitors:** These are the competitors that offer a different and unrelated product or service that can replace yours in certain situations.
- **Potential competitors:** These are the competitors that are not currently in your market but have the ability and intention to enter it in the future.

DO YOU HAVE A VIABLE BUSINESS?

- Your product is clearly defined and scalable (if you need to, you can produce/deliver considerably more, when the need arises).
- Your market is clearly defined, and you have enough customers who want / need your product to enable you to grow.
- You have some form of sustainable competitive advantage.
- You can make a profit.



BUDGETING, CASH FLOW & PRICING STRATEGIES

What is a Budget?

A Budget is a projection of the (financial) future.

A **CAPITAL** Budget schedules future possible investment in capital equipment.

An **OPERATING** Budget estimates how much profit (or loss!) will come from your business over a future period of time. Budgeting (sometimes referred to as initial financial projections) helps proposed ventures determine if they can afford to start a business and whether it is sustainable (i.e. viable over time) or not.

A **CASH FLOW** Forecast is NOT the same thing as your operating budget, although the latter provides integral input to the Cash Flow.

What is the purpose of a Budget?

Budgets predict the profit-making potential of a business, but will also indicate

- How much it will cost to start a business
- If you need finance for the business
- Your breakeven point
- Your profit potential

Creating a financial plan for your business is part of the framework of your business plan, but also integral to your business's future.

What is a budget?

A budget predicts how much profit (or loss) will come from your business over a period of time (usually a year). Budgeting helps startups to see if they can afford to start a business – and if it will repay all their hard work with a profit return for their effort.

The purpose of a budget

Budgets predict the profit-making potential of a business, and will highlight things like:

- how much it will cost to start-up.
- whether you'll need to borrow money
- your breakeven point
- what you need to charge customers
- your gross margin
- whether you can afford staff
- return a profit



How to make a budget

An operating budget is simply a "prospective" (i.e. a future) profit & loss, so its layout is identical to a detailed profit and loss.

Use a simple spreadsheet to record your budget - An MS Excel workbook is excellent for this purpose. Your preliminary budget should be for 12 months, at monthly intervals.

Commencing from your planned startup month, determine each of the following:

SALES

- set your sales level by month allowing for ramp up of new product
- allow for seasonality
- allow for volume increases over time
- allow for pricing variations

Less

- **COST OF SALES** (the cost of the product sold)

Less

- **BUSINESS EXPENSES/OVERHEADS** (include Start Up Costs in first month)

And it's so important to capture ALL your expenses - start at A! Just don't include any personal expenses - this is essential to ensure you assess your proposed business's viability on purely a business basis.

The net result for each month will be either a profit or a loss and when the monthly result transitions from a loss into sustainable profit, you have reached breakeven - i.e., the margin derived from sales is sufficient to cover all of the business overheads.

Cash Flow Forecasting

Operating Budgets and Cash Flow Forecasts should **NOT** be assumed as the same thing though under certain circumstances operating budgets can provide substantial input.

Remember

- Operating Budgets deal in profit (or loss) outcomes, whereas
- Cash Flow Forecasts deal in Cash outcomes (i.e., cash IN versus cash OUT)

So, if, as most start-up businesses do, you are budgeting your start-up on a CASH basis for both revenue and expenses, then, and only then, your Operating Budget forms the main part of your Cash Flow.

The key additional elements during the period will be of a capital nature such as:

- Capital budget items such as new plant, equipment and other fixed assets (Cash OUT)
- Inventory (Current Asset) purchases during the period (Cash OUT)
- Non-trading injections of funds during the period (Cash IN)

If your business model assumes Credit Sales (i.e. sales made on payment terms such as 30 days) then your budget and cash flow will be fundamentally different! While the recorded sale will immediately generate income, it has not immediately generated CASH but instead recorded an account receivable as a current asset (ACCRUAL) on your balance sheet. At this point, a more complex Cash Flow Forecast is needed - one which requires you to estimate when your cash will be received from the sale, likely in a later month than when the sale was made.

And remember that timing of expenses is important - there will be expenses which might only occur once or twice a year such as annual insurance premiums, and timing is critical to Cash Flow - you don't want unexpected surprises, unwanted cash shortfalls.

A new mantra to go with your new business venture - **CASH IS KING!** You need to make sure you have enough cash to cover all of your startup and operational expenses until you breakeven and reach a sustainable profit which in turn will generate cash.

Your preliminary budget and cash flow forecasts will determine whether you have sufficient personal funds to fund this new venture or whether you need to secure bank funding or alternative.

Make a budget and cash flow that assumes a solid first year, and another that assumes a slow start. This is called upside/downside analysis. That second scenario won't be so much fun to create, but you'll be glad to have it up your sleeve if things don't take off. Bank managers and investors will also want to see two budget and cash flow scenarios.

Small business budgeting mistakes to avoid:

- Don't assume your Budget and Cash Flow are synonymous - CASH v ACCRUAL Basis
- Don't include the goods & services tax component of sales revenue and expenses
- Don't include any personal (i.e. non-business) expenses
- Some jobs go wrong, and some inventory gets broken so build in contingencies
- Remember to include how much interest you'll pay in the budget period on any loans
- Remember to adequately insure your business against risks and disasters
- Remember, Depreciation is a NON-CASH item, so if you have built this into your budget, it needs to be excluded from your Cash Flow forecast

Accounting Savvy

It's just so important to get this part right - if you think you are not capable of completing a sound operating budget and cash flow forecast then don't be too proud to ask for help.

Accountants and bookkeepers work with small businesses all day, every day. They can help get your numbers right the first time.

CHECKLIST

BUDGETING AND CASH FLOW

KNOW YOUR EXPENSES AND INCOME

- Make sure you know how much it will cost to startup and when you might breakeven
- Understand the key drivers of your business - the pricing and volume metrics that drive your margin

CREATE A FINANCIAL PLAN FOR NOW & THE FUTURE

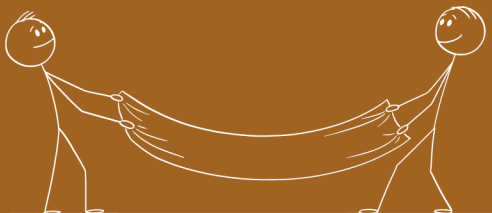
- Don't forget to **exclude** GST from sales revenue and expense forecasts but be sure to **include** it for Cash Flow purposes
- Remember to include any interest payable
- Factor in costs for possible disasters
- Exclude any non-cash items from your Cash Flow (e.g. depreciation)

HAVE AN ACCOUNTANT OR BOOKEEPER

Accountants and bookkeepers work with small business constantly. They can help you get the numbers right and give good advice.



Make sure you have a professional to catch you before you fall !



PRICING STRATEGIES

The main rule of price setting

- You need to make more money out of the sale than the cost

COGS - Cost of goods sold

COGS tells you what your business spends to deliver a product or service to your customer

Formula to determine the costs of good sold

You have two levers for making money in business

- your margin
- your sales volume

The first rule of price setting

You need to get more money out of a sale than you put into it.

Which means you need to know the cost of the goods sold (also known as cost of sales).

What is cost of goods sold (or services sold)?

Cost of goods sold, or COGS, tells you what your business spends to deliver a product or service to your customer. It's treated differently to general costs like rent or employee wages.

Identifying what COGS is in your business

Look for expenses that:

- a. occur only when a service or good is provided
- b. go up and down as sales go up and down

The formula for cost of goods sold (COGS) is:

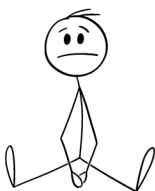
Beginning Inventory + Purchases – Ending Inventory

- Beginning Inventory is the value of inventory at the start of the period or the end of the previous period.
- Purchases are the costs of buying or producing additional inventory in the period.
- Ending Inventory is the value of inventory at the end of the period.

COGS represents the direct costs of producing the goods sold by a company, excluding indirect expenses such as distribution and marketing.

What are pricing strategies?

Now that you know your COGS, you know the minimum amount you have to charge to make money. But it helps to have a system to work out what you should add. That's what a pricing strategy is.



If at first you don't
succeed - take the tax
loss!



Cost-plus pricing strategies

You can simply add a standard markup to everything you sell. Check if there are industry-standard markups, as they can give you a good place to start. An accountant or bookkeeper with experience in your industry will know.

Market-based pricing strategies

Check out the range of prices that your competition charges and:

- go higher if you offer more convenience or a premium experience
- match the average if you don't want to turn off price-sensitive shoppers

It's not a good idea to go low unless you have a steady supply chain and expect a lot of sales.

Price bundling

Some businesses bundle a few things together at a slight discount. Their profit margins come down but they sell more items as a result. Some market research will tell you what product combinations will work.

Launch pricing strategies

New products (or businesses) sometimes use temporary pricing strategies to try and grow their customer base. These include:

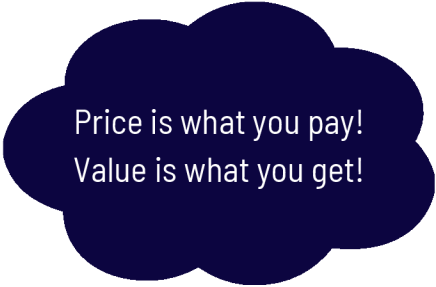
- Penetration pricing: where you lower margin to increase sales volume. This can attract new customers fast, but the trick is to keep them when your prices go up.
- Price skimming: where you hike prices on new products or services believing that enthusiastic early adopters will pay more. Then you drop prices later on.
- Sweetener deals: where you set prices high but offer introductory discounts. It allows you to create the feeling of a deal without permanently devaluing your product or service.

Pricing methods and COGS are key to profitability

You have two levers for making money in business – your margin and your sales volume. They're both affected by price. So give lots of thought to what you charge.

Start by working out your COGS, so you know the least you need to make on a sale. And then use some of the pricing strategies outlined here to work your way toward a ticket price.

Accountants and bookkeepers can help a lot with the numbers. They will understand industry norms and can help tell if your margins are too thin.



Price is what you pay!
Value is what you get!

CHECKLIST PRICING STRATEGIES

KNOW THE COST OF GOODS SOLD

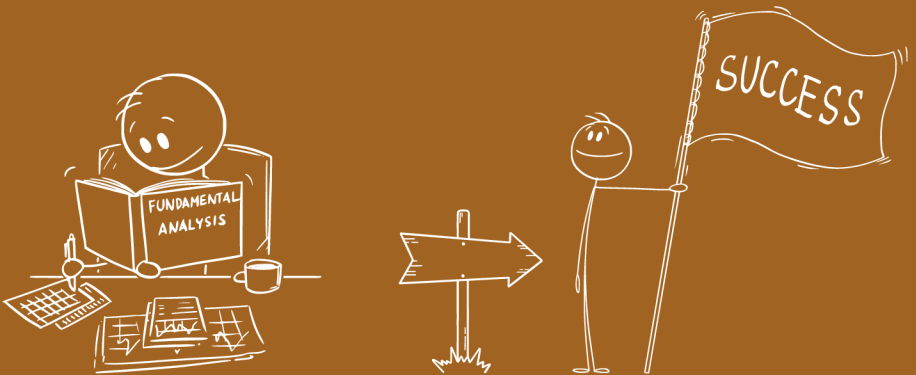
Make sure you get more money out of a sales than you put into it

KNOW YOUR BUSINESS PRICING STRATEGIES

- Simply add a standard mark-up
- Check out the prices your competition charges
- Understand the benefits of price bundling

THE LEVERS AVAILABLE TO YOU TO MAKE MONEY

- Margins
- Sales Volume



What is the importance of a business structure?

In Australia there are four main types of Business Structures, you should give careful consideration to which is the best option for you and your business.

What are the options available?

- Sole trader
- Partnership
- Company
- Trust

Business structure can change

Most small businesses start as Sole Traders but this can change throughout the life of the business depending on growth and possible investments.



Business structures in Australia can be classified into four main types:

- **Sole trader**
- **Partnership**
- **Company**
- **Trust**

Together with these, the Australian Government also recognises co-operative, indigenous corporation and joint venture as legal business structures. Here is a brief overview of each type of business structure:

- **Sole trader:** A sole trader is the simplest and cheapest business structure. It is a person who runs and owns the business by themselves. They are legally responsible for all aspects of the business, including any debts and liabilities. They do not need to register the business with ASIC unless they use a name other than their own.
- **Partnership:** A partnership is an arrangement between two or more people or entities who share the income, losses and control of the business. A partnership is not a separate legal entity, so the partners are jointly and severally liable for the debts and obligations of the business. A formal partnership agreement is recommended but not mandatory.
- **Company:** A company is a separate legal entity that has its own rights and obligations. It can own assets, incur debts, sue and be sued. A company is owned by shareholders and run by directors. A company has higher set-up and administrative costs and more legal responsibilities than other business structures. A company must register with ASIC and comply with the Corporations Act.
- **Trust:** A trust is a legal relationship where a person or entity (the trustee) holds property or assets for the benefit of others (the beneficiaries). A trust is not a separate legal entity, but it can conduct business and incur debts. A trust requires a formal trust deed and annual administrative tasks. A trust can be a company registered with ASIC.

There are also some differences between these business structures in terms of taxation, liability, ownership, control, reporting and compliance. You can find more information about these differences on the **business.gov.au** website.

CHECKLIST BUSINESS STRUCTURES

KNOW WHICH STRUCTURE WILL SUIT

It will depend largely on the type of business you intend to start and if you are going alone or with others.

KNOW YOU CAN CHANGE THE STRUCTURE

Your business will change and grow and the structure might need to change with it.

UNDERSTAND THE ADVANTAGES & DISADVANTAGES OF THE STRUCTURE YOU CHOOSE

- Selling your business
- Exit strategies
- Taxation



ACCOUNTING & ADMINISTRATION

Small Business Accounting Basics

Accounting is a big topic, but for most small businesses it comes down to

- keeping records of transactions
- creating reports to help manage the business
- understanding fundamental accounting concepts

Record keeping

Record keeping is commonly called bookkeeping and its critical to good small business accounting and management.

How to stay on top of the numbers

Knowing up-to-date figures will help you make strategic decisions in your business. A daily cash position is good business practice.

What is accounting?

Accounting tracks money as it comes and goes from a business. Some of that information is reported to the government to calculate taxes. But mostly the information helps you manage the business better.

Small business accounting basics

Accounting is a massive topic, but for most small businesses it boils down to:

1. Keeping records of business transactions (basic bookkeeping)
2. Using interactive accounting tools and engaging professional help
3. Creating accounting reports to help manage the business.
4. Dealing with taxes



1. Keeping records of business transactions (bookkeeping)

A reliable and up-to-date picture of income versus costs will tell you:

- if you're profitable (or at least moving in that direction)
- if you have enough cash coming in to pay upcoming bills
- everything you (or your tax agent) needs to know to do tax returns

This record-keeping is commonly called bookkeeping, and it's critical to good small business management.

Keep tabs on your expenses as soon as you start incurring them. Hold onto receipts and write down what each one was for. Create a separate business bank account as soon as you can. Then your bank statement will double as a record of all your expenses.

2. Using interactive accounting tools and engaging professional help

To best track all of the key numbers, statistics and performance comparisons of your business it is suggested that you utilise one of the many cloud-based interactive accounting platforms now digitally available. These systems are so powerful and sophisticated they will, among other things:

- generate sales invoices and track outstanding accounts receivable
- prepare payrolls, including PAYG and SGC obligations
- prepare quarterly activity statements for GST
- receive daily bank statement feeds for easy reconciliation
- monitor and report on performance against budget

BUT if you don't feel you have the natural skill or simply don't have sufficient time to devote to this critical aspect then you are encouraged to either employ an inhouse skilled bookkeeper (either on a full or part-time basis) or engage the services of an external accountant who can not only provide you with ongoing sound financial advice and guidance for your business but can also provide a regular bookkeeping service, including preparation and lodgment of your monthly payroll taxes and quarterly Business Activity Statement (BAS) for GST, PAYG and SGC.

3. Creating reports to help manage the business

If you're working in the business, you'll have a rough idea of how things are going. But you'll want to base your strategic decisions on something more than instinct and gut feel. Small business accounting gives you the insights you need.

Things to check weekly;

- **Sales:** There's no money without sales, so it makes sense to keep a close watch on them. Just remember to consider the wider context. For example, extra sales often come with extra costs.
- **Profit:** Make sure you get to keep some of those sales dollars after costs and taxes are taken out. Check your net profit margin, too. It shows what percentage of sales revenue is available to cover your overheads and produce a profit.
- **Wages:** Wages can be your most substantial cost. Wise staffing decisions can go a long way to improving profitability.
- **Money owed to you:** Check your invoices are getting paid. Non-payment means less money in the bank, which creates all sorts of unpleasant knock-on effects for the business and its viability

Things to check monthly

- **Budget vs actuals:** See if things are going as planned. If not, why not?
- **Liabilities:** Stay on top of what's owed across loans, bills and taxes.
- **Cost of goods sold:** Stay aware of inventory supply, transportation and storage costs to get your pricing right.
- **Last year vs this year:** Compare numbers from the same month last year to see if the business is getting stronger.

Your small business accountant or bookkeeper can help focus on the most important numbers for your business.

4. Dealing with taxes

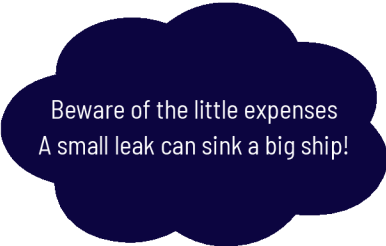
Tax is one of the first things that come to mind when you think about small business accounting. The three most common forms of tax are:

Income tax: Where you effectively pay a portion of your annual profits to the government. This is best left to professional tax advisers to prepare as they will know what deductions you are legally entitled to.

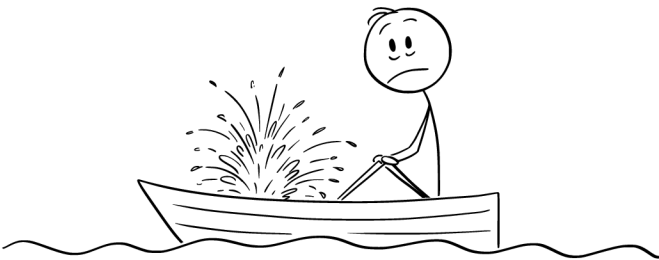
GST: A 'Goods and Services Tax' (currently 10%) where you add 10% tax to your sales and later pay that money to the government, net of any similar tax you've paid out on your business purchases. Currently, the GST registration threshold is an annual turnover (i.e. sales) of \$75,000 per tax year already reached or expected to reach in any given tax year.

Employee-related taxes: Where you collect tax (called PAYG or Pay-As-You-Go) from employee pays and remit it to the government. Also, under national Superannuation Guarantee legislation, employers are bound to make an employer contribution (SGC - Superannuation Guarantee Contribution) on ordinary earnings of employees and remit it quarterly to the Government on behalf of each employee. This is currently 11% for the year ending 30th June 2024, and will rise by 0.5% in subsequent years until it reaches 12%.

Additionally, State Payroll Tax applies in all states and territories of Australia but rates and thresholds vary in each jurisdiction. Your liability will depend on where your business fits within the thresholds in your jurisdiction. If you employ staff in multiple states and/or territories then you'll be subject to multiple payroll tax remittances for each.



Beware of the little expenses
A small leak can sink a big ship!



CHECKLIST ACCOUNTING

✔ **WHAT METHOD OF ACCOUNTING WILL YOU USE IN YOUR SMALL BUSINESS**

Do your due diligence and make sure you are comfortable with using the software you choose

✔ **KNOWING YOUR FINANCIAL POSITION HELPS YOU MAKE DECISIONS**

Knowing your financial position has huge benefits for you and your business. Not knowing creates stress and anxiety

✔ **DO YOU HAVE AN ACCOUNTANT OR BOOKKEEPER**

Having a professional accountant is important, they are obliged to keep up with changing laws and regulations and will advise you accordingly.



ADMINISTRATION

What are the initial administrative requirements?

Business administration is necessary and needs to be managed throughout the life of your business. Initial steps in managing your registrations etc. when they fall due for renewal will easily manage your administration.

Know which licenses and registrations?

Government websites can be a challenge, even for government employees. There are tips to learn to make the process much easier.

What are the basics?

This very much depends on the type of business you intend to create. Professional Business Advisors, Accountants and Lawyers can advise, or a State Government Authority.

How to register a business with the government

You have a few official steps to walk through before you're in business:

- **Register a business name:** Unless you're trading under your personal name, you'll need to register a business name. You can do this through the [Business Registration Service](#)
- **Get an Australian Business Number (ABN):** An ABN is a quick way to identify your business to the government and the tax office. Put it on your invoices to ensure customers don't withhold pay-as-you-go tax from the amount they pay you. You can apply for an ABN through the [Business Registration Service](#). Find out more about [what an ABN is](#) and [how to get one](#).
- **Apply for licences and permits:** You may need special authority for certain business activities, such as running a business from home or employing people. Some industries have very specific requirements. Find out what you need from the [Australian Business Licence and Information Service](#).

How do I register a company?

If you're setting up as a company, you'll need to choose and register a name and get set up with the Australian Securities & Investments Commission (ASIC). You'll need to submit documents explaining how your company will operate and identify who the decision makers will be. You can start the process through the [Business Registration Service](#).

How can I protect my business name or logo?

You can legally protect a business name and logo to prevent others from mimicking your identity. This can be a valuable step for businesses that plan to invest a lot in making their brand widely known.

This area of the law can get complicated – especially if you expand into overseas markets and find there's a business there with a similar name. Ask for advice from a legal professional with experience in this area.

At the very least, use [trademark registries](#) (and search engines) to check that no one already has your business name. It's an easy way to save yourself a lot of hassle.

CHECKLIST ADMINISTRATION

MAKE SURE YOU KNOW THE LEGAL REQUIREMENTS FOR YOUR SMALL BUSINESS

- Government authorities will inform you of your requirements
- Your lawyer and accountant will also advise you of your obligations which change from time to time

I CAN PROTECT THE BUSINESS NAME

- Seek advice on what works best for you

KEEP A REGISTER OF DUE DATES FOR RENEWALS

- It's important that you don't let registrations lapse, make sure renewal dates are recorded.



Why is marketing so important?

It doesn't matter how good your products and services are if you can't get customers to buy them. One of the best descriptions is from marketing guru Philip Kotler "Marketing is bringing about exchanges to satisfy human needs and wants." If you have sound products and services, and you make an effort to get marketing right, it can be the single greatest factor in achieving business success. Marketing is an overarching strategic approach that embraces your brand to engage with customers. Sales is an important function that sits within marketing.

Why is a Marketing & Sales Plan important?

Your best chance of achieving goals is writing them down. In a Marketing & Sales Plan you can identify what your Marketing & Sales Goals are, such as revenue targets or the number of new customers to attract, and what you are going to do (strategies) to achieve them.

Why is a Marketing & Sales Plan important?

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Best practice marketing includes knowing and understanding your target market customer, their needs and wants, and how you are going to reach them with a compelling message or promotion.

Create A Business recommends a simple yet effective structure for a Marketing & Sales Plan, 10 sections that you can use as a template. You can create your Marketing & Sales Plan in one day and use whatever format best suits you and your team e.g. a simple Word document, a PowerPoint that is engaging to present to staff, or an Excel document that can be used in a practical manner like a checklist for marketing tasks and tracking marketing expenses and revenue against budget.

Like all strategic documents it should be a living document that is frequently accessed and updated. Referring to your Marketing & Sales Plan before making marketing or promotional decisions will give you focus, avoid distractions, and enable you to make informed decisions within your marketing budget.



The best advertising is done by a satisfied customer!

The Create a Business structure for an effective Marketing & Sales Plan is:

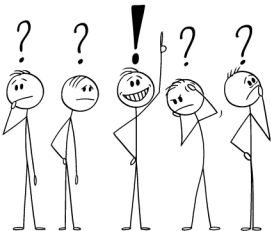
1. Core products & services
2. Market & Competition
3. Understanding your customer
4. Adopting a customer orientation
5. Find a niche
6. Marketing message
7. Marketing mediums
8. Marketing & Sales Goals
9. Digital Marketing Strategy
10. Marketing Budget

1.Core products & services

Have an objective focus on the actual state of play. What are the main products or services you sell? Reviewing sales records can be an eye-opener. There is demand for your top-selling items so why are customers buying them and can you adjust your promotions to be more effective? Are there any patterns? Can you offer a convenient bundled package? Have you got your pricing and margins right for your top-selling products or services?

2.Market & competition

What size is the overall market? An ecommerce business may think nationally or globally, an in-person service provider or retailer may think geographic location. What is your positioning, are you a value-for-money or premium quality provider? Who is your competition? What are they offering and charging? What do you do better than your competitors? Promote your competitive advantage to prospective customers.



Sell the problem you solve, not
the product

3. Understanding your customer

Profile your target market customer. Identify who makes the purchase decision. What are their needs & wants? What is their customer behaviour and customer experience? What would motivate them to purchase from you? How will you know if your customers are satisfied? How will you make it easy for customers to provide feedback? Will you do regular customer satisfaction surveys and act on the results to improve the business?

4. Adopting a customer orientation

Do you provide customer service training for staff to meet or exceed customer expectations (Moment Of Truth)? Is it easy to make a purchase? How will you maintain product or service consistency (quality control)? What is your Sustainable Competitive Advantage (SCA), the features and benefits that you offer? What do you want your brand to represent? How will your communications and promotions be relevant and compelling to customers?

5. Find a niche

Best practice marketing is for your business to be recognised as specialising in a particular niche. That is, doing a few things exceptionally well as opposed to doing a lot of things to an average standard. If you have a strong reputation for specialising, target market customers will be happy to seek out and pay for the best. Do you use the best materials/ingredients, stock the best brand/s, or do something that no other competitor does?

6. Marketing message

It is important to have a well written, concise, easy to remember, short marketing message that staff can say to customers. It can be one or a few sentences that explain very clearly what you do, the “elevator pitch”, it should be on the homepage of your website and featured in social media. You should also have a long marketing message which expands in more detail, say 200 to 500 words, that may feature in the About Us section of your website.

7. Marketing mediums

To cost-effectively reach your target market audience you must understand their behaviour to then identify which marketing mediums/channels will be the best to reach them, within your budget. You can identify the key search phrases for Search Engine Optimisation (SEO) for your website, do a paid targeted campaign on Facebook, print brochures and do a direct marketing mail out, or send compelling emails to your customer contact database.

8. Marketing & Sales Goals

What do you want to achieve from marketing & sales efforts? Is it to reach a revenue and/or profit target? Is it to attract a certain number of new customers, or to sell a certain number of items in a time frame? Is it to raise awareness of, or to educate the marketplace about, your unique offering? Is it to grow an audience of prospective customers? Your Marketing & Sales Goals will guide what strategies you need and influence effective decision-making.

9. Digital Marketing Strategy

Your digital presence is critical. Is your Google business listing up to date with operating hours, contact details, and link to website? Is your website content fresh, relevant, and appealing? Does your social media activity attract customers or influence purchases? Who oversees digital marketing including social media for your business? Are you creating interesting customer relevant videos (which can be very simply done on a smartphone)?

10. Marketing Budget

How much do you want to spend on marketing & sales? How much revenue do you hope to generate? Plot your marketing & sales expenditure by month to be prepared for bills and make sure there is sufficient activity to generate revenue at the times of the annual cycle you want. If you monitor the performance of activities you can shift forward allocated expenditure to the best return activities. Having a budget helps you stick to a budget.

CHECKLIST MARKETING & SALES

- **WHAT ARE YOUR TOP SELLING PRODUCTS OR SERVICES?**
- **DESCRIBE YOUR TARGET MARKET CUSTOMER?**
- **WHAT IS YOUR SUSTAINABLE COMPETITIVE ADVANTAGE?**
- **ARE YOU SPECIALISING IN A NICHE?**
- **WHAT IS YOUR SHORT MARKETING MESSAGE “ELEVATOR PITCH”?**
- **WHAT ARE YOUR TOP 3 MARKETING & SALES GOALS?**



DIGITAL MARKETING - WEBSITE & SOCIAL MEDIA

Why do I need a website?

- Build credibility and showcase the brand to potential customers
- Increase leads and revenue by promoting products and services
- Improve customer service and engagement
- Target larger markets and reach more customers

Advantages of social media for business

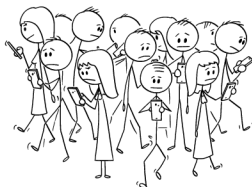
- Help increase brand awareness and reach more potential customers
- Drive more traffic to your website and improve your search engine ranking
- Promote your products and services and generate more revenue
- It can help you communicate and engage with customers

Creating a business website in Australia can be a great way to showcase your products or services, reach new customers, and grow your business online. There are different steps and options to consider when setting up a business website, such as:

- **Registering a domain name for your website.** A domain name is the website address or URL (Uniform Resource Locator) that people use to find your website on the internet. It's good to have a domain name that matches your business name or brand. You can register a domain name through a registrar or reseller listed on the .au Domain Administration Ltd (.auDA) website.
- **Deciding on the type of website** you want. A basic website or blog can be used to tell your customers about your business, where you are, and how to contact you. If you plan to sell your products or services online, then you will need an e-commerce website that allows you to accept payment online. You can also use a blog to attract returning customers and new ones to your website by providing useful and engaging content.
- **Choosing a template or custom website** design. You can build a basic website using free or low-cost web design packages that provide you with a template design and a web content management system (CMS) to edit your site with. If you want a more complex website for your business, you may need to hire a web professional to create a custom website design that meets your specific needs and preferences.
- **Creating and adding content** to your website. You should create content that is relevant, informative, and appealing to your target audience. You should also use keywords, headings, images, and links to optimise your website for search engines and improve your ranking. You should update your content regularly to keep your website fresh and engaging.
- **Testing and launching** your website. Before you make your website live, you should test it for functionality, usability, and accessibility. You should also check your website for errors, broken links, and security issues. You can use tools such as Google Analytics to monitor your website performance and traffic. You should also promote your website through social media, email marketing, and other channels to attract more visitors and customers.

Social media is important to small business because it can help you to:

- Reach your customers better and create online networks. Social media allows you to communicate with your existing and potential customers, share information about your products and services, and get feedback and reviews. You can also use social media to find new customers, expand your market reach, and increase your brand awareness.
- Reduce your marketing costs and increase your revenue. Social media can be a cost-effective way to promote your business and advertise your offers and deals. You can also use social media to sell your products and services directly to your customers, or direct them to your website. Social media can help you generate more traffic to your website and improve its search engine ranking.
- Improve the way you do business and recruit skilled staff. Social media can help you exchange ideas and learn from other businesses and experts in your industry. You can also use social media to find and attract talented employees, for example through job networking sites like LinkedIn.
- However, social media also has some disadvantages and risks for your business. You need to have a clear social media strategy and policies in place before you start. You also need to monitor your social media presence regularly and respond to any issues or complaints promptly. Some of the challenges of using social media for your business are:
 - Needing additional resources to manage your online presence. Social media requires time and effort to create and post engaging content, interact with your customers and followers, and analyse your results. You may need to hire or train staff to handle social media or outsource them to a professional agency.
 - Dealing with unwanted or inappropriate behaviour on your social media site. Social media is immediate and public, which means you may face negative feedback, information leaks, hacking, or false or misleading claims on your social media site. These can damage your reputation and expose you to legal liabilities. You need to have a plan to prevent and handle such situations, and protect your customers' privacy and data.



Without a strategy your
posting blind

CHECKLIST

DIGITAL MARKETING - WEBSITE & SOCIAL MEDIA

UNDERSTAND THE FUNCTION OF WEBSITE

- Make of list of the functions you need

IS YOUR BUSINESS NAME AVAILABLE AS A DOMAIN?

- The two functions should be done together

WILL YOU NEED A WEBSITE DEVELOPER?

- Depending on the type of website you need it maybe more time and cost efficient to get quotes from a developer



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