

# **SETTING UP YOUR BUSINESS: A HOW-TO GUIDE**



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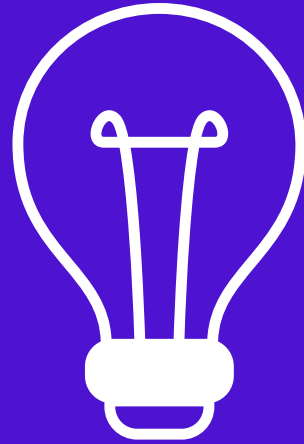




# **TURNING A DREAM INTO REALITY**

So, you have a great idea for a business but you're not sure where to begin? Whether you're pursuing a product or service-based offering, setting up a business is an ambitious undertaking with many potential pitfalls. That's why it's important to have a plan in place. This step-by-step guide can help you create your personal road map to turning your business dream into reality.

# WHERE TO BEGIN





## STRUCTURING YOUR BUSINESS

Determining how to structure your enterprise is one of the first decisions you'll need to make when you go out on your own. Your choices include operating as a sole trader, forming a business partnership and setting up a company.

Becoming a sole trader is probably the easiest and most affordable option to set up. Under this structure, you'll have fewer reporting requirements but will be liable for all aspects of your business, including losses and debts.

A partnership enables you to share responsibility for managing the business with one or more partners. This includes sharing any liabilities for any business debts and obligations.

A company is more complex to establish and run, and has more reporting requirements than sole trader and partnership arrangements. A company operates as a separate legal entity which owns the money it earns and must complete its own tax return.

**TIP** | If you're not sure which structure will suit you best, it can be helpful to talk through the options with an accountant or small business adviser before you make a decision. And don't worry, you can also change your structure down the track as your business evolves and grows.

## NAMING AND REGISTERING YOUR BUSINESS

Setting up shop means deciding on a business and brand name – or perhaps you already have one in mind? While it can be tempting to get creative, names that are easy to remember, pronounce, spell and give potential customers a good idea of what the business does tend to work best.

That's been the experience of Mildura-based Parilla Fresh, which **experienced a surge in sales** after it began selling its fresh sprouts under the banner of 'Aussie Sprouts' in 2018.

"It turned out [our old brand name] was confusing for the consumers and it didn't really reflect anything about what we stand for," Parilla Fresh general manager Peter Duncan says. "Our new branding is about freshness and being Australian."

Once you've chosen a business name, it's time to register it. You can do so online via the Federal Government's **Business Registration Service (BRS)**. Its site has an **online tool** which allows you to check whether your proposed name and the matching domain and website names are available.

On the **BRS site, you can** obtain an ABN for your enterprise and, if applicable, register for GST and other taxes.

You may also need to consider ways to prevent others from using your brand name without your permission, for example by securing a domain and **protecting your brand with a trade mark**.



### TIP

When registering your business name, you should consider checking whether your trade mark is available. Trade mark protection for your business name and brand may be important for the purposes of business growth, licensing and exporting your brand.



## PROTECTING YOUR BRAND WITH A TRADE MARK

### What is a trade mark?

It's how your customers recognise you in the marketplace and distinguish you from your competitors. A registered trade mark is used to protect your business brand from copycats. The most common example of a trade mark is a brand name or logo, but it can be any recognisable sign, graphic design, or expression that identifies your business.

### What are the benefits?

A trade mark can help build a memorable experience with customers, and lead to brand loyalty and repeat business. Registering a trade mark also gives you exclusive rights to use that trade mark as your brand in Australia, and you have a legal avenue to prevent others from trading with it for similar goods and services. You can benefit from:

- **Exclusivity:** Exclusive right to use the trade mark across all Australian states, for an initial period of 10 years with the ability to renew indefinitely.
- **Protection:** Having a legal avenue to stop others from using your trade mark on similar goods and services.
- **Licensing:** The ability to authorise others to use your trade mark. This is a powerful tool for when you create agreements with producers, distributors, sellers, or contractors.
- **Business value:** A trade mark can be bought, sold or transferred and can increase the value of your business.

### What do I need to know?

- Your trade mark needs to be different to other trade marks that already exist for similar goods or services on the Australian Trade Mark Register.
- Your trade mark must be able to distinguish your goods and services from your competitor's goods and services. That means it can't be something that other people are likely to want to use, like a descriptive word or place name.
- You must actively use your trade mark in the course of trade. If you don't, it can be removed.

### How do I check if my trade mark is available?

You can start by using the free checking tool. The tool will give you an indication if there are already trade marks that might be similar to your proposed brand or name – from there it's a simple process to complete the application to register your trade mark.



To learn more:

- [Read our guide on Protecting your brand](#)
- [Register for IP Australia's Upskill program](#)



## DEVELOPING A BUSINESS PLAN

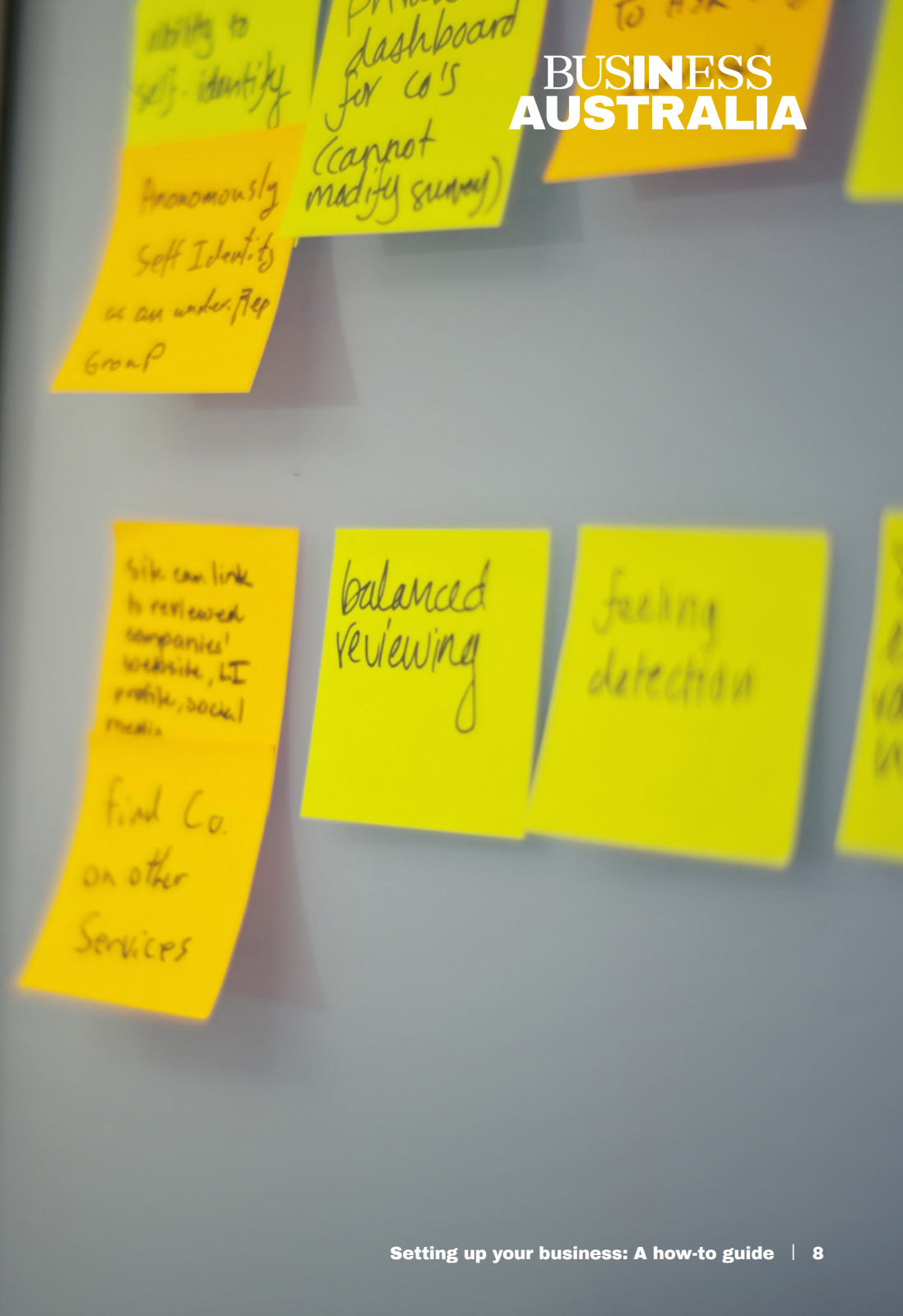
Successful business owners have a clear vision of where their business is heading and how they're going to get there. Writing a business plan for your new venture will help you do the same.

If you're hoping to secure external funding, your business plan is likely to be among the first documents potential creditors will want to see. It doesn't have to be lengthy, but it should include details about your operations, marketing strategy, future plans and your financials, including set-up and running costs and revenue projections.

Unless your concept is unique, it's likely other businesses are already offering comparable products and services. So, identifying your key competitors and determining how you'll do things differently or better can help you find points of difference that can help your business stand out from the crowd.

By developing a business plan, you won't just create a blueprint for how your enterprise will operate, putting your ideas and goals down on paper can help you anticipate potential key challenges and work out strategies to deal with them.

**TIP** | Learn more about what should go into your [business plan](#) here.



# **FINANCING YOUR DREAM**

## FINDING FUNDING

However economical your approach, starting a business costs money. There may be legal fees, rent and fit-out costs for your premises, marketing and advertising, website development expenses, hiring costs and wages, and myriad other things.

If you're giving up a steady job to pursue your dream, you also need to think about how you support yourself until your new enterprise is able to pay you a steady income. This can take months, or even years.

So, unless you have significant savings set aside, you'll need to secure finance to cover these costs. This could come **in the form of a grant**, small business loan or capital injection from an investor who's willing to back your bright idea.

Getting access to funds can be challenging, especially when you're starting out and need them most. Without security, it can be difficult to secure loans from banks and other traditional lenders. That's why it's not uncommon for fledgling entrepreneurs to draw on personal savings, credit cards, loans from family and friends, and the equity in their family homes to help them get going.

Vicki Walsh, owner of **The Laundry Pad in Oberon**, was forced to find \$50,000 for new equipment and linen when she launched in 2017. Doing so was a struggle.

"It's hard to get finance when you've only been operating a short time, and having to find the funds for large, albeit necessary, purchases myself hasn't been easy," she says.



# TESTING YOUR OFFERING BEFORE LAUNCH



## WHY TEST DRIVES ARE A NECESSITY

Unsurprisingly, most people who start a business believe in their idea wholeheartedly and are convinced customers will share their enthusiasm. Unfortunately, that's not always the case. Stories of business owners who've been forced to overhaul their concept after a lacklustre reception are plentiful, and doing so can be disruptive and expensive.

Testing the product or service you plan to offer before you enter the market can make this scenario less likely. Affordable ways to do so include hosting a focus group for individuals in your target market, seeking feedback on social media and offering free samples or sessions.

Blue Ginger Picnics owner Tania Usher says entrepreneurs who skip this stage may end up pursuing an idea that's **not commercially viable**. She surveyed the public and hosted a number of picnics for friends before launching her award-winning food tourism business in 2017.

"There's no point thinking you're going to do something you love if the market doesn't want it," Usher says. "You need to validate your idea by determining whether it's something people are actually willing to pay for. I didn't make assumptions about that."



## **TESTING A SERVICE BUSINESS**

Service-based businesses are often easy to test. In cases such as Blue Ginger Picnics, it can be as simple as finding a few potential customers willing to provide feedback or act as guinea pigs before you invest in the premises and equipment you need to offer your service commercially.

If you're planning to offer your service through your own mobile application, you should also factor in time to test your app before it goes to market as a buggy user experience is likely to turn customers away.





## TESTING A PRODUCT BUSINESS

If you're planning to launch a product-based business, it's sensible to invest some time and money in creating a prototype or sample first. A 3D version of the item under development, a prototype, can be used to demonstrate the functionality and quality of your product, refine your design and determine the best materials to use.

A prototype can also make it easier for other people to understand what you're trying to sell, and to appreciate the potential of your business. Depending on the nature of your product, it may even be possible to create one using tools from your workshop, a home sewing machine or a 3D printer.

If your product is more complex and your budget permits, you could decide to outsource the task to a commercial product design and development group. The CSIRO, for example, offers **prototyping facilities**, including complex 3D printing, to businesses in a range of industries, such as food, medical technology and chemicals.

Collaborating with the CSIRO helped Griffith food technology venture Flavourtech **get off the ground** in the 1980s and the relationship between the two organisations is still strong today. The company's sales and marketing director Leon Skaliotis believes working with external experts can be better than trying to go it alone.

"That has been a really positive thing that's helped keep the company on the cutting edge," Skaliotis says. "We don't have the depth of knowledge of some of those academics in specialist aspects of food production and technology."

Once you've developed a prototype you're happy with, it's time to test it on potential users. You'll know you're on the right track if they report that your product meets a need or solves a problem and is easy to use.



# LAUNCHING YOUR BUSINESS

The launch of your business is likely to be the culmination of weeks or months of hard work. You could opt for a grand opening with as much fanfare as you can muster, or a soft start that allows you to iron out the wrinkles before you market your goods or services to the public. Whichever approach you take, there are a number of things you need to have in place before you hit 'go'.



## SETTING UP YOUR ONLINE PRESENCE

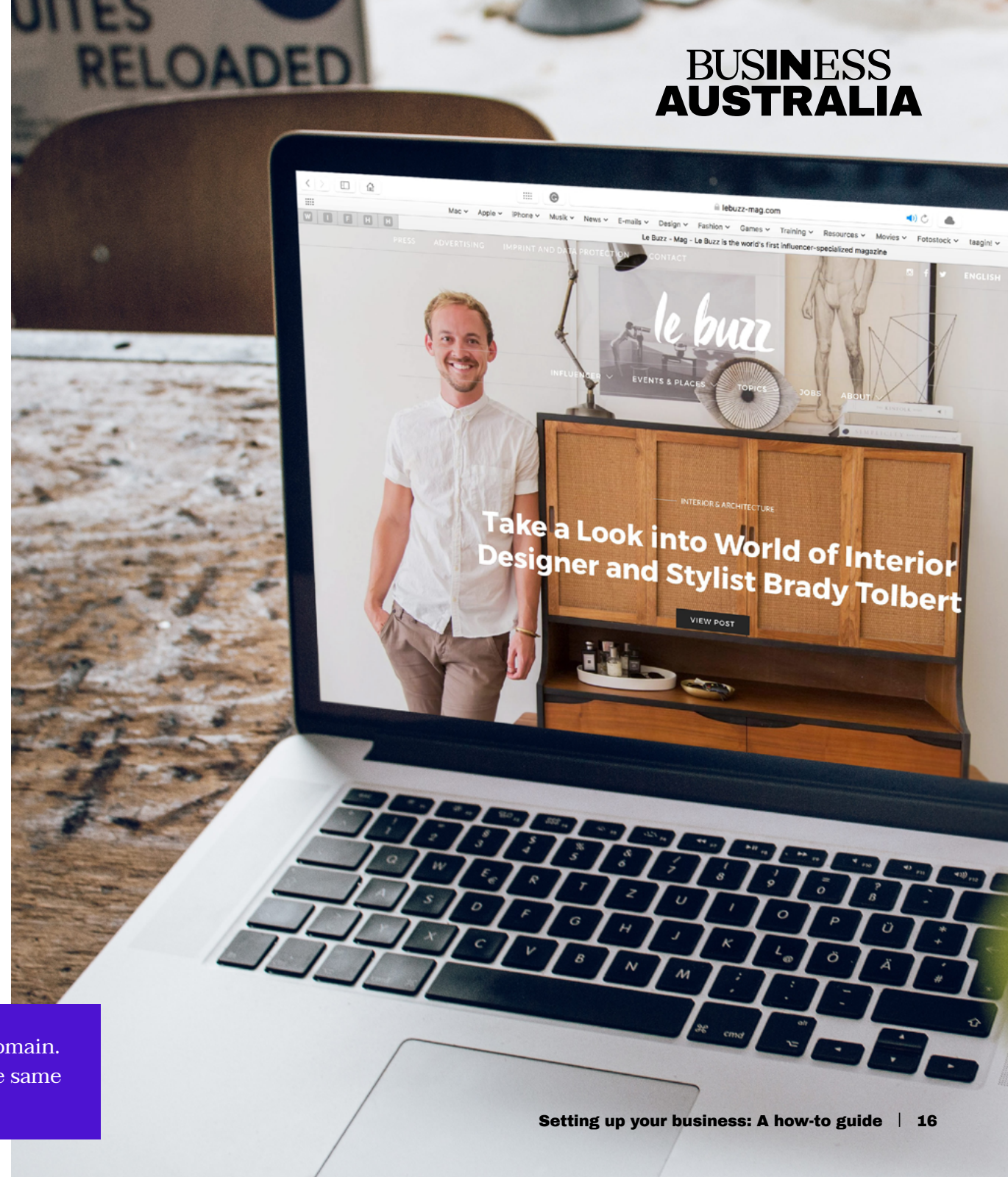
Having a good online presence is one of the most important things for businesses today. This includes not only your business website, but also your social media profiles. When customers look for information about a product or service, many Australians first action is to Google it. In fact, according to recent [research from Telstra](#), 62% of customers say they will stop considering a business if they can't find information about it online.

## WEBSITE

A business website acts as your digital shopfront. It allows you to share details about your products and services and promote your brand to customers, in Australia and overseas. And these days, setting one up can be fairly uncomplicated and affordable.

Professional developers charge anywhere from a few hundred dollars to a few thousand, depending on the functionality you require. Alternatively, some internet service providers offer tools and templates to help you build your own, such as [Wix](#) or [Squarespace](#).

**TIP** Before you start, make sure to secure your web domain. This will prevent people from trying to secure the same website name as you.





## **SOCIAL MEDIA**

Social media can be an effective, low-cost way to promote your business and directly engage with your target audience. The nature of your offering and your target group are likely to determine which platforms work best.

Planning and preparing posts in advance means you have a steady stream of content to share as soon as you're up and running. Staying active on social media takes time, and you'll save some of it if you automate the process with a social media scheduling tool. Popular packages include **HootSuite**, **Buffer** and **Sprout Social**.

And if writing isn't one of your strengths, it can make sense to hire a writer who can churn out polished copy – think social posts, blogs, newsletters, announcements – that presents your business in the right light.



## **PLANNING YOUR LAUNCH STRATEGY**

You may not want your website to go live before you start trading, but setting up a pre-launch page with a countdown can let people know what's happening and build anticipation and interest.

If you've bought or built a mailing list, an electronic direct mail (EDM) announcement is a good way to let potential customers and partners know when you'll be open for business.

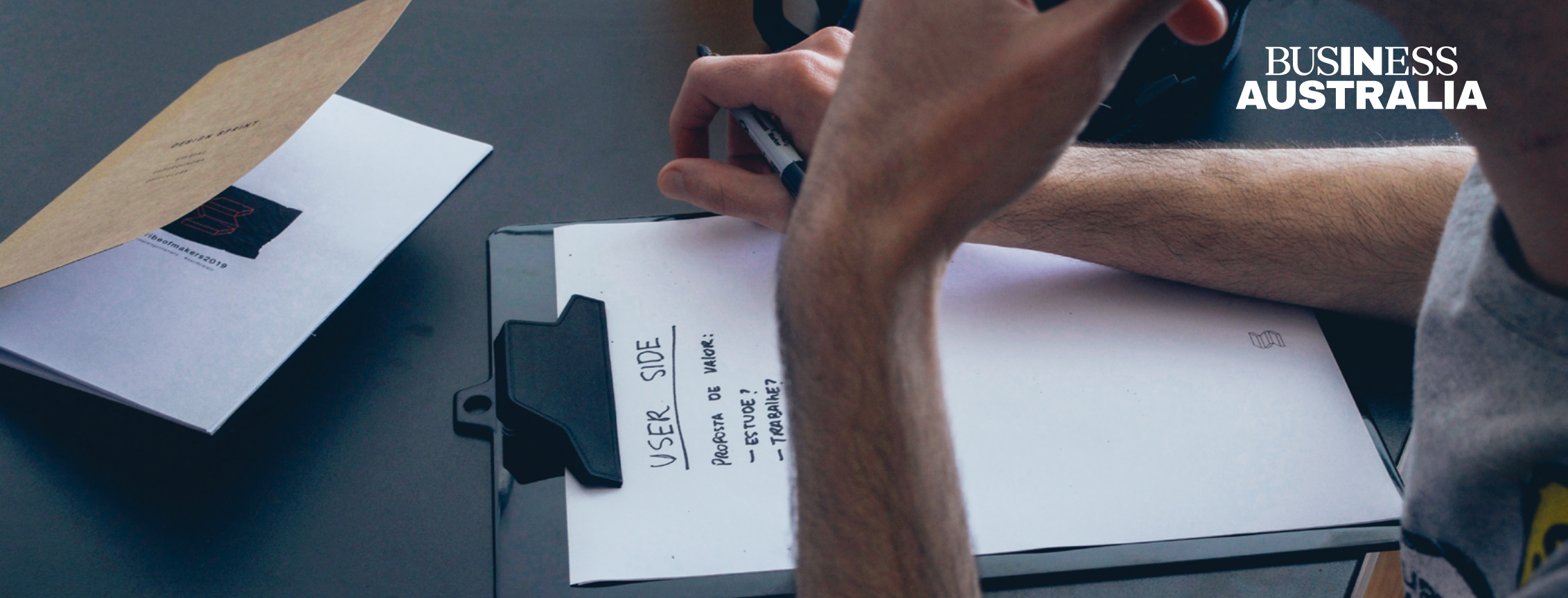
Budget permitting, a launch party or event can be a great way to generate some hype around your opening. It doesn't have to be a lavish affair, but creating a theme, choosing a venue that's in keeping with the image of your brand and inviting the right people – e.g. potential customers, influencers and industry leaders – can help you get the best bang for your marketing buck.

### **TIP**

If you want to push your venture into the media spotlight, make it easy for journalists by preparing a press kit. It should contain information about your product or service, your business, your personal background and some professional images – everything they need to create a positive story.







Setting up in business is both exciting and risky, and careful planning in the early stages can save you time and money down the track. Working methodically through the various decisions and tasks can help increase your chances of launching a viable venture and long-term business success.



**For more advice on starting and growing your business [visit our resource hub.](#)**

The guidance provided is general in nature. The guidance has been prepared without taking into account your personal objectives, financial situation or needs. Before acting on any guidance you should consider the appropriateness of the guidance having regard to your objectives, financial situation and needs. Before making any decisions, it is important for you to consider these matters and to seek appropriate legal, tax, accounting and other professional advice.