

# Starting your own business



Setting up your own business can be life changing and rewarding, but it also involves considerable risks and obligations. Before you decide to start your business, you may want to consider the following factors.



## Test your business idea

Testing your business idea is a great way to determine if the business has potential. Ensuring that you have the right business skills, investigating how much running the business will cost, potential profits, and who your target market could be are all factors to think about.

## Market research

Market research is essential in making sure you identify your target market and customers. There are many benefits to conducting market research:

- Discover how to compete against competitors
- Identify competitors
- Discover if there is a gap in the market for your product/service
- Find out where your target market is and how best to get the product/service to them

## What does your business require?

When running a businesses, there are certain things that your business will require in order to run efficiently. You should consider the following factors when determining what your business requires:

- The best location for your business?
- Do you need to employ staff? And if so how many?
- Identify your basic equipment requirements and costs
- Identify your overhead costs, such as insurance

## Do you have any funding requirements?

Most successful businesses require a loan at some stage, whether it's to fund day-to-day running costs, ease cashflow or invest in your business for the longer term.

Your Local Enterprise office can give you advice on all financial sources that benefit you or your businesses.

**Microfinance Ireland is a not-for-profit lender that is government funded. We provide unsecured business loans up to €50,000 to both Start-ups and Established businesses that are having difficulty in getting access to funding.**

**You can view our loan packages on our website [here!](#)**

## Business type

There are 3 main business types that your business could operate as:

- Sole Trader
- Partnership
- Limited Company

**[Read our 'Choosing the right business type' article here.](#)**

## Developing your sales plan

A successful sales plan outline your goals and strategies.

How will you promote your product or service?

Who and where is your target market?

What channels of distribution will you use?

Determine your selling price and break even point

## Marketing Strategy

Marketing your business is a key part in communicating with your audience and is a fundamental aspect of starting up.

When considering your marketing strategy, you should research the most cost effective methods of marketing your business.



# Key Financial Considerations

## Sales

- Estimate Projected Sales/Cash Flow
- This requires you to estimate how much your business will generate per week/ per month based on your pricing and on your estimate of the demand for your service or product.
- **Here is a useful tip!** Make an estimate of how many unit sales you expect to achieve per week and multiply this by your estimated average selling price (this is simplistic and does not consider seasonality and other factors but is a starting point)

## Expenses

Consider what level of income you need to take from the business. Calculate your household's monthly Reasonable Living Expenses [here](#).

## Costs

- Estimate the costs of running your business on a monthly basis.
- Consider all the necessary insurances you need including public liability, keyman, stock, business assets, business interruption, motor insurance, employer's liability, professional indemnity, and permanent health insurance.

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## Avoiding unnecessary risks

Register your business name with the Companies Registration Office (CRO).

Be aware of your responsibilities under employment rights legislation.

Be aware of other statutory obligations such as trading licenses, insurance, health & safety, patents, etc.

Be aware of your tax obligations and register with your local revenue office.

## Write a business plan

In business, planning ahead is extremely important, and for those of you starting out, modifying or diversifying your business – a business plan is an essential tool of the trade.

[Find out more about executing the perfect pitch in our guide to writing a business plan.](#)

The Local Enterprise Office (LEO) offers a Start Your Own Business Programme. This will help you, from developing and researching your ideas, learning basic business start-up skills and expanding your potential with marketing and financial planning advice.

[Find out more about the programme here.](#)

  
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Making It Happen