

# ACTIVE PRACTICE UPDATES

DECEMBER 2019



## LOW-RISK WAYS TO START A BUSINESS

Methods to overcome uncertainty in 2020.

So you've got a business idea, and you think it might be a runner. But then again, just as you've geared yourself up to commit, all sorts of midnight worries start to creep in.

Is now the time? Are people spending money? What about the sluggish housing market? What about Brexit? And the state of the local high street – does anyone even go there anymore?

You want to press ahead with your plan, but you also don't want to be reckless, or take a fall and lose what you've already built up – so where do you go from here?

Of course, the answers to these questions will depend on what kind of business you're hoping to start and where you are, both geographically and financially. But there are a few things you could do that might make it easier than you think.

Whether you're starting from scratch or adding a new string to your bow, it's not always necessary to jump into a new venture feet first, risking all your capital, your reputation or your sanity.

There are things you can do to get your new venture up and running, while cutting out some of the risks and stress.

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### TEST THE WATER

There's no need to commit to a five-year plan straight away. Can you trade temporarily, over a season, or on a short-term deal?

With a glut of shopfronts on the market, it's easier than ever to hire a premises on a pop-up basis, for a week or a season.

Some owners of business and retail premises may even be looking to fill space at a peppercorn rent.

Talk to your local council – they may have a staff member whose task it is to help revitalise high streets – or to the manager of a local shopping mall or arcade.

The premises may not be your dream spot, but six months of serving top nosh in a temporary place in the local mall could stand you in great stead for word of mouth, brand recognition, and maybe some great reviews.

These will all come with you if you do decide, later on, to invest in that dream premises and a longer-term business plan.

If you're not looking at retail, think of other places you could test your business idea. Events, fairs and festivals can offer a large number of potential customers over a short period of time, and provide lots of feedback on how your product is received.

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### COLLABORATE

Can you usefully work with another business to minimise risk?

Aside from sharing premises, could you think about working as a separate brand alongside theirs?

Could you hire a stand in their shop, or have your product promoted (and served) on their menu?

Can you pay someone else to produce your product, in a small run on their production line?

Does an existing business have unused office space that they would be happy to sublet?

On top of cutting costs, this can give you access to valuable business partners and customers.

As long as you're not competing with your new business contacts, there are plenty of ways you can work together without treading on each other's toes.

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## COMMUNICATE

It's no use going to all the hard work of setting up a business without telling people about it.

You don't need to hire expensive PR or designers – it's easy and free to use social media, and lots of customers like the authenticity of talking to the actual business owner.

Don't feel you have to sell all the time on your social media platforms, such as Facebook, Instagram or Twitter.

Most customers will be much more interested if you chat about your business, yourself, or your local news.

They're much more likely to give you their business if you seem friendly and willing to engage.

Lots of website providers offer cheap and cheerful options for business websites, whether you're planning on selling online or just letting people know what you do.

And don't forget traditional media – there are still lots of local newspapers and community publications going in most areas of the country, and many will often give you a write-up for free in exchange for a quote and a bit of your time.

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## GO ONLINE

Trading online isn't an either/or thing. How many of you have seen something you like, decided it's too much of an extravagance, only to wish, a few days later, that you had treated yourself after all?

If those customers who like your product haven't got the means or the motivation to buy there and then, it's really important that they can come back and find you.

On the other hand, if you're selling something that might be a large-ticket item, it's possible that a customer who likes an item they spotted online might want to pop round to check it really does match that particular shade of orange in their carpets.

The more places you're visible online, the more people will see what you have to offer. Don't worry if it's an image of your workshop, not a showroom – it all adds to the authenticity.

It's also worth looking at what large generic platforms can offer a new or small business in terms of e-trading. As well as eBay and Amazon, there are also more niche platforms that cater to crafts, books, and records.

All these online platforms offer the tools to set up selling on a very flexible scale – from the occasional hobby product to much larger operations.

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## GO LIGHT

People often think that finding a venue, shop or office is the first step to take when it comes to trading, but there are other ways to do without this upfront cost.

If you're offering services you may be able to work from home, but you will need the time and space to do so.

If you need to have client meetings but can also work flexibly from home, you may want to look at renting hotdesking space.

Lots of these schemes come with meeting space, or as an extra to a basic package. Fees are often flexible, and will be less if you only sign up to one or two days a week, rather than full-time.

This can give you flexibility as your business expands, and a professional look and access to services that you might not find working directly from home.

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## GO MOBILE

Don't forget to think flexibly – there are other options, too.

Lots of businesses operate out of a vehicle, whether it's selling coffee from a VW camper van or doing dog-grooming out of a Ford Transit. You could even load up your services on a bicycle.

For some clients, the fact you can come to them can be a selling point gives you an edge over your competitors.

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## PLAN AHEAD

Whatever your plans and outlays, it's really important that you've thought it all through beforehand.

Do your sums – your startup costs and running costs, and work out how many hours or items you're going to need to sell to cover your costs.

Don't plan on running on empty. Work out your cashflow, identify any pinch points, and how you might deal with them.

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## DON'T FORGET YOUR OWN TIME

Your time is a cost, too, especially if you've already got one venture up and running.

It's no good devoting all your time to new plans only to see your established business falter because you neglected it. Think about how much time you want to spend on your new plans.

Every new business will take a little while to pay off – but be clear about when this should happen, and what's reasonable for your other commitments, family and finances to sustain.

👉 **Talk to us about starting a business.**

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