**CHECKLIST FOR STARTING UP YOUR BUSINESS**

**Pre-Business Set Up:**

**Confirm you are up for the task**

Running a business requires more work than the typical 9 to 5 job and the rewards usually come many years later. Other than time and money sacrifices, a potential business owner should sit with their trusted family and friends to assess whether they have some or all the following characteristics that many successful entrepreneurs possess;

* Industry experience,
* networking abilities,
* persistence,
* self-esteem,
* discipline,
* resourcefulness,
* passion,
* business management skills, and
* decisiveness.

**Research (Conduct a Minimum Viability Assessment before you move to a Business Plan)**

* Is there a market for your product or service?
* Have you surveyed potential customers about your business concept?
* Have you analysed and compared your competitors?
* Have you prepared a personal and business SWOT Analysis?
* Have you prepared forecasts of your set-up costs and Break Even point?

**Build your Business Plan**

Deciding on the format of your business plan (can range from a simple one-page canvas to a comprehensive business plan spanning 50+ pages) will depend on who you intend as the recipient of the document and its purpose. Regardless, it is an important document that should be developed prior to starting your business and reviewed / updated regularly afterwards.

**Choose your business structure**

Your business structure can affect the safety of your personal assets and taxation obligations. There are advantages and disadvantages of each structure.

• Sole trader

A sole trader is a type of structure where the business has no separate legal existence from its owner. As a sole trader, you will be responsible for the liabilities of your business. You need to report your business income on your personal income tax return, along with any other income.

• Partnership

A partnership is a type of structure where two or more people start a business and can legally share profits, risks and losses according to terms set out in a partnership agreement. You must lodge a separate partnership income tax return.

• Trust

A trust is a relationship where a business is transferred to a third party who has legal control and has a duty to run that business to benefit someone else. You must lodge a separate trust income tax return.

 • Company

A company is a legal entity separate from its members (shareholders). A director of a company has additional legal and reporting obligations. You must lodge a separate company income tax return.

**Build your support team**

Having a close and trusted relationship with people like, your accountant, lawyer, business adviser, banker, your staff and your suppliers helps with the uncertainties, complexities and operation issues a business owner will face. Assess and select this team carefully as your ultimate success may well depend on their contributions.

**Financing your business**

It’s important to have a good understanding of your finances through budgets, cash flow statements and other financial reports as this will guide you in determining where you will source your funding requirements and how they will be serviced as you implement your business plan. Understand the various sources of financing available and speak to a trusted advisor if you have any doubts. Don’t forget that your business may also be eligible to apply for grants and subsidies.

**Legal and regulatory obligations**

There are various statutory requirements that your business may need to consider including; work, health & safety (WHS) obligations; your SPAM obligations; your privacy obligations; an understanding of consumer protection and competition laws; as well as other things such as signing leases and other contracts.

Other considerations for business owners are:

Do you have the appropriate business licence or permit?

* Visit the Australian Business Licence and Information Service (ABLIS) for information on what your business may require for licences or permits, registrations and certificates.

Have you registered for an ABN?

* If you’re carrying on an enterprise or you intend to register for Goods and Services Tax (GST), you may need to apply for an ABN.

Have you registered a business or company name?

* A business name and a company are two different structures. A business name is not an entity in its own right; the holder of the business name (which can be an individual, a partnership, a company, an incorporated association or a trust) is legally responsible for the business. In contrast, a company is a legal entity in its own right and has some specific responsibilities and obligations. Go to the ASIC website to check and register your business name.

Have you registered for all relevant taxes?

* If you’re anticipating sales turnover in excess of $75,000 each year you’ll need to register for GST, and if you intend to employ others, you’ll also need to register for Pay As You Go (PAYG).

If applicable, have you protected your intellectual property?

* Intellectual Property (IP) covers a range of laws that give individuals and businesses exclusive rights over their creative and inventive projects. It covers trade-marks, brands or logos. Visit the IP Australia website for more information.

Have you researched your insurance needs?

* These include general business insurance, public liability insurance, workers compensation insurance, personal insurance, professional indemnity insurance as well as other specific business insurances. Understanding your insurance needs is important so you may want to speak with your accountant or insurance broker.

**Building an online presence**

In today’s ultra-competitive marketplace, it is an integral part of any new business to have an online presence if they want to compete and attract customers. A new business will need to do things such as, register a domain name, build a website and establish a unique email address, create a logo and establish a social media presence. Once you’ve established your website it’s important to ensure that it’s properly protected to prevent sensitive data being stolen, corrupted or destroyed. Any pages within your website where you accept customer information and online payment details must be secure. A business and its staff also need to protect their own personal and financial information, so they need to practice smart online strategies and be aware of scams.

**If employing staff, have you determined your obligations?**

* As an employer, you have certain obligations to your employees. The national workplace relations system, established by the Fair Work Act 2009, includes all private sector employment. Information about pay and conditions under the national workplace relations system is available from the Fair Work Ombudsman website
* You have a legal requirement to withhold tax from payments you make to employees and some businesses. You need to make sure you register for PAYG withholding. Your obligations include making regular payments to the ATO, ensuring you withhold correct amounts from salary and wages and reporting them on your activity statement. To register for PAYG withholding, visit the ATO website.
* You need to pay superannuation guarantee contributions for most employees and certain contractors. You also need to know your obligations if your employees fall under choice of superannuation fund legislation. Visit the ATO website (SUPER)

**Have you considered your corporate governance?**

* Corporate governance is about good decisions being made by the right person and is not just the domain of big companies - small businesses need corporate governance too. A good structure will allow you to ensure that the running of your business occurs smoothly, with minimal confusion about responsibilities. Creating a delegation of authority and clear policies and procedures enables your employees to make better decisions and eventually take on more responsibility. This can allow you as the business owner to focus upon making your business a future success.

**Post Business Set Up:**

**Marketing**

Implement your marketing strategy that you developed in your Business Plan.

**Operational Issues**

* Identify and fit out suitable premises
* Set up your Accounting, CRM and other IT systems
* Join your local business support group and business association
* Monitor your financials, especially your cash flow

**Starting a Business Summary Checklist**

|  |  |
| --- | --- |
| **Are you up for the task?** | **Completed** |
| 1 | Have you assessed your personal readiness for this type of business? |  |
| 2 | Have you assessed your business management skills? |  |
| **Have you conducted research?** |  |
| 3 | Have you determined whether there is a market for your product or service? |  |
| 4 | Have you conducted industry research? |  |
| 5 | Have you surveyed potential customers about your business concept? |  |
| 6 | Have you completed a personal and business SWOT analysis? |  |
| 7 | Have you analysed and compared your competitors? |  |
| **Build your business plan**  |  |
| 8 | Have you completed an appropriate business plan? |  |
| 9 | Have you had your business plan reviewed by an impartial trusted third party? |  |
| **Setting your business structure** |  |
| 10 | Have you sought advice from an accountant to discuss the various business structures and their tax implications? |  |
| 11 | Have you determined which structure your business will operate under? |  |
| **Build your support team**  |  |
| 12 | Have you selected an accountant? |  |
| 13 | Have you selected a lawyer? |  |
| 14 | Have you selected suppliers? |  |
| 15 | Have you met with a Business adviser? |  |
| 16 | Have you considered joining your industry or business association? |  |
| **Working out your finances**  |  |
| 17 | Have you determined if you can afford to start this business? |  |
| 18 | If necessary, have you secured a reliable funding source? |  |
| 19 | Have you completed financial forecasts (e.g. expenses, sales, cash flow)? |  |
| **Legal and regulatory obligations**  |  |
| 20 | Have you considered what licenses or permits you’ll need for your business? |  |
| 21 | Have you registered for an ABN? |  |
| 22 | Have you registered a business or company name? |  |
| 23 | Have you registered a domain name? |  |
| 24 | Have you registered for all relevant taxes? |  |
| 25 | If applicable, have you protected your intellectual property? |  |
| 26 | Have you researched your insurance needs? |  |
| 27 | Have you drafted legal documents for your business? |  |
| 28 | If employing staff, have you determined your obligations? |  |
| 29 | If locating your business at home have you applied for the correct licence? |  |
| 30 | If leasing commercial premises have you sought advice about the lease? |  |
| **Governance**  |  |
| 31 | Have you developed a governance framework for making decisions and running the business? |  |
| **Market your business**  |  |
| 32 | Have developed a marketing plan which outlines your marketing goals and budget? |  |