



Starting a Business
The No Nonsense Guide
**Module 2: Is starting a
business right for you?**

What you will learn and understand as a result of working through this module

This module will help you to:

- decide whether setting up your own business is likely to suit you
- decide whether you're in a good position to start.

Even if you have already decided to start or have already started your business, you may find this module useful.

How to use this module

This is a self-help module, with both reference and worksheet material to help guide you through starting a successful business.

As you go along, there are worksheets to complete, and you can make notes in the action plan about what you need to do next.

You'll find icons throughout the module to help guide you:



Tips for how to make the most of your business



Colour-coded links to other modules



Links to the Business Link website



ACT An action plan at the end of this module to help you plan your activity for starting up.

Module 2: Is starting a business right for you?

2.1	The rewards of starting a business	2	2.1
2.2	Reality check	3	2.2
2.3	What do you want from your business?	4	2.3
2.4	Will business suit you?	7	2.4
2.5	What skills do you need to run your business?	10	2.5
2.6	Is your financial position strong enough?	12	2.6
2.7	Does your business idea have potential?	14	2.7
2.8	What next?	15	2.8
2.9	Action plan	17	2.9

Starting a Business - The No Nonsense Guide is produced by Business Link as part of its Starting a Business service. Business Link provides impartial advice and information to help you start, grow and succeed in business. Help and support is also available online, through local workshops and over the telephone. Visit businesslink.gov.uk or call **0845 600 9 006**, for further details.

2.1 The rewards of starting a business

2.2 Reality check

“I thought my business would give me more leisure time. It hasn't worked out like that. I now work far longer hours than I ever imagined. But I still love it! I really look forward to going in each day. I would never go back to being an employee!”

Starting your own business can be an exhilarating, liberating and rewarding experience. Many people love doing something they're passionate about and being their own boss, and they find that there's always something new to learn.

They appreciate setting their own hours, they enjoy the variety and feel justly proud that starting and running a business is a real achievement. It's also often much less complicated than they'd feared.

Being in control of your working life is full of challenges. There are millions who've done it successfully, but there are many who, for one reason or another, have had to accept that it isn't for them.

Before you start, it's important that you know what you want your business to give you. If you know what you want to achieve, this can give you the motivation to keep going when the going gets tough. It will also enable you to think carefully, at this early stage, about whether the reality matches the dream.

If you haven't identified them already, here are some of the challenges you might consider before starting your business.

Personal sacrifice: Don't underestimate the physical and emotional demands of starting up in business. It's a life-changing event and will require hard work and long hours, especially in the early stages.

Financial insecurity: There can be times when money is tight and this may have a knock-on effect for both you and your family. For example, you may have to do without holidays. You may have to put in your own savings or use your family home as security and, at worst, you could risk losing your investment or even your home.

Loss of company perks: Setting up your own business means that you'll no longer be able to take advantage of the usual benefits of a permanent job. This includes the loss of 'safety net' benefits such as pension rights, sick pay, paid holiday and other company perks.



Tip

Ask people you know who are already in business what the day-to-day realities of running a business are.

Pressure on close relationships: You may need the emotional and practical support of your family and friends. Before you go ahead with launching your business, you should discuss with them the effect that starting up a business is likely to have on your life. It's crucial that they're right behind you.

Isolation: Being your own boss can be a satisfying experience. However, shouldering all the responsibility for the success of the business can feel lonely. Developing a network of contacts will help you to feel more like a part of a community.

Starting a business can give you immense satisfaction, but it's important to be realistic and consider the above factors carefully.

2.3 What do you want from your business?

Bearing in mind the reality check, take some time to think about whether your business is actually what you want or need.

Think about the reasons why you want to start a business. What are your short and long-term goals? These could range from more independence and a larger income to excitement and concentrating on the sort of work you enjoy.

Worksheet: What do you want from your business now?

List and rate how important each of your factors are and the factors you need to consider to make them a reality.

[illegible]

Do you need to make actions from any of your things to consider?
If so, add these to your action plan.

ACT

Now that you've thought about what you want from your business, take some time to consider whether these business goals are compatible with your life (and family) goals.

Where do you picture yourself in 5 years' time and what will you have achieved?

Think about your life goals. List 3 that you feel are important for you to achieve.

- 1.

- 2.

- ### 3.

How will your business help you achieve your goals?

What aspects of owning a business may hamper your goals?

Compare your life goals and desired achievements against what your business can bring to you. In what ways can you shape your business idea to support your life plans?

ACT

How I decided to set up my own business

Name: Julie Comber
Company: Julies Tiaras

When mother of four Julie Comber promised to help her daughter shop for her wedding dress and accessories, she never thought that the trip would lead to a new career and the launch of a new business. But that was exactly what happened.

What I did

“We quickly found a dress my daughter loved, but she just couldn’t find the right tiara. I decided on the spot that I would make one for her.

“I quickly found a supplier of high quality crystal beads from the Swarovski company, and used them to make my very first tiara. I loved doing it and my daughter was really impressed. My husband said that I should make them for other brides as well.

“To test the market I took the tiara to Plymouth bridal shop PB Gowns, where I was told not only that it was easily of a marketable standard but that the shop would happily stock whatever I could make. This was a new venture at the time, so I couldn’t be paid up-front, but we agreed instead that I would work there as a volunteer in exchange for giving me a sales outlet, which suited us both perfectly.

“It was an arrangement that gave me the opportunity to start properly planning my business.



I could actually see my creations selling, and it was wonderful to see the happiness they brought as part of a really joyful experience for everybody.”

See how Business Link can help

“I rapidly decided that I needed to learn about setting up and running a business, and went on to the Internet to find out who could help me.

“This was when I discovered the Business Link website and I signed up for a place on its business start-up course. It was absolutely fantastic, bringing me immediately up to speed with important matters like rules, regulations and tax.

“Now I’ve opened my own shop ‘Julies Tiaras’ in Plymouth, and I’m displaying my products in another jewellery shop in Plymouth and a lingerie shop in Tavistock. My website, which my son and I built together, is live and taking orders for bespoke creations as well as items from my existing and fast-growing collection.”

2.4 Will business suit you?



Another useful check is to think about whether you have the right personal qualities to start your own business. It’s often said that a successful entrepreneur will have the following qualities:

Self-confidence: A self-belief and passion about your product or service. Your enthusiasm should win people over to your ideas.

Self-determination: Believing that the results come from your own actions, rather than from other people’s actions or outside forces.

Being a self-starter: The ability to take the initiative, work independently and develop your ideas.

Judgement: The ability to be open-minded when listening to other people’s advice, but still working towards your objectives for the business.

Commitment: The willingness to make personal sacrifices through long hours and loss of leisure time.

Perseverance: The ability to continue despite setbacks, financial insecurity and exposure to risk.

Initiative: The ability to be resourceful and proactive, rather than taking a ‘wait and see’ approach.

Don’t worry if you don’t have all these qualities. If you have most of them that’s pretty good.

Worksheet: Will business suit you?

Take this quiz to help you decide whether starting a business will suit you or not.

Circle the number that applies to you:

1. Do you like taking risks?

Love it 1 2 3 4 5 Hate it

2. Do you like taking responsibility?

Love it 1 2 3 4 5 Hate it

3. Do you like working on your own?

Love it 1 2 3 4 5 Hate it

4. Do you like taking the initiative?

Love it 1 2 3 4 5 Hate it

5. Are you happy rising to a challenge?

Love it 1 2 3 4 5 Hate it

6. Do you like working hard?

Love it 1 2 3 4 5 Hate it

7. Do you like getting rewarded for your efforts?

Love it 1 2 3 4 5 Hate it

8. Do you like having to find things out?

Love it 1 2 3 4 5 Hate it

9. Do you like paperwork?

Love it 1 2 3 4 5 Hate it

10. Do you like meeting deadlines?

Love it 1 2 3 4 5 Hate it

How did you respond?

Less than 20

You're well-equipped for a life in business. You can work on your own, you're willing to work hard and can bounce back from setbacks. Just make sure you don't try to take it all on yourself, so think about enlisting support where you need it.

20 to 35

You're going to love some aspects of business, and hate others. Where can you get help to deal with the bits you like less?

More than 35

This doesn't mean you shouldn't go into business. You may have a great idea for a product or service and people could be queuing up to buy it.

But there may be some aspects of running a business that you should think carefully about. Maybe it would be sensible to give some in-depth thought to what you want out of life. If you're still keen, why not consider setting up with a business partner, or someone who'll take care of the aspects that you're less comfortable with. Put any actions in your action plan.

ACT

Here's how I decided I was ready to start up my business



Name: Paul Kruzycki
Company: Ales By Mail

While developing the idea for his own venture, Ales by Mail, Paul Kruzycki continued working full-time as a building surveyor.

What I did

"I spent a lot of time talking to people in the industry and finding information on websites. My research showed that Ales by Mail couldn't pay me a salary at first so I decided I needed to save at least six months' living expenses.

"I now work as a property consultant two days a week and spend two days on Ales by Mail. On the fifth and sixth days I work on whatever needs doing most urgently. I'm building the business on a tight budget and am going for slow growth."

2.5 What skills do you need to run your business?

Very few people starting out in business can claim to be strong in all of the areas required.

The key is to make the most of what you do have. This may be skills that you've built up not only through work but also from volunteering, bringing up a family, team sports, community activities and so on.

Don't worry, you can build up the skills you need for your business over time but you need to think about which ones are the most important. As well as learning new skills by yourself you can draw on outside help by buying in the skills you need or employing someone.



 **Find out more**
Training Directory:
businesslink.gov.uk/starttraining

Worksheet: Business skills

Below is a list of some of the important skills needed to run a successful business. Tick those that you already possess (be honest here) and feel free to add any other skills that you have that are relevant.

- ☐ Selling technique
- ☐ Cold calling
- ☐ Networking
- ☐ Marketing and promotions
- ☐ Time management
- ☐ Being organised
- ☐ People management
- ☐ Record keeping
- ☐ Balancing the budget and managing cashflow
- ☐ Negotiating
- ☐ Communicating well in writing and in person
- ☐ Using a computer
- ☐ Dealing with customers
- ☐ _____
- ☐ _____
- ☐ _____
- ☐ _____

What previous experience do you have that's relevant to your new business idea?

What are your strengths?	How can you make the most of them?
_____	_____
_____	_____
_____	_____
_____	_____

What are the 3 most important skills you'll need to improve or get help with to make your business a success?

What actions can you take to learn these skills through training and research or using external services? Add these to your action plan.


ACT


2.6 Is your financial position strong enough?

Something else that you need to consider at this stage is finances. There's no guarantee that your business will make money for you straight away, so you should aim to have sufficient reserves to last without an income until the business can pay you one.

Being realistic at this stage is likely to save a lot of pain. People who launch their business without enough funding find it extremely difficult to keep it afloat.

To get over this, you should investigate alternative sources of finance.

**Find out more**
How do I survive until my business is off the ground?
businesslink.gov.uk/startsurvive

**You can find out more about raising finance in **Module 5: Managing money****

Worksheet: Personal survival budget

	£	£
Estimated personal expenditure		
Mortgage and/or rent		
Council tax		
Utilities (gas, electricity, water etc)		
Personal and property insurance		
General housekeeping expenses (food etc)		
Phone and Internet		
Car tax and insurance		
Car running expenses		
HP repayments		
Hire charges		
Subscriptions to journals, professional bodies etc		
Savings plans		
Contingencies		
Tax		
National Insurance		
Other (specify)		
	+	
Total personal expenditure	=	
Estimated personal income		
Income from family, partner		
Other income (specify the source)	+	
Total personal income	=	
Total survival income required from the business		=

If your estimated personal income is more than your estimated personal expenditure, this means you may have additional funds to invest in the business.

2.7 Does your business idea have potential?

It's not enough to have the right qualities and skills. You also need a business idea that has a good chance of success. Business ideas that answer a consumer or business need will have a greater likelihood of turning into a successful and profitable business.



Find out more

You can find out about how to do market research to test your business idea in **Module 3: Planning your business.**

Worksheet: Does your business idea have potential?

Checking the key points in this worksheet will help you decide whether you're at least thinking along the right lines.

What is your business idea?

What will make your business different?

Describe who will buy your product or service. What types of people or businesses are they?

Think about your responses above. Is there anything you can do now to strengthen your business idea?

Add anything you need to do to your action plan

ACT

2.8 What next?

Based on all the information you've gathered so far about your personal qualities, knowledge, skills and business idea, you have a number of options.

Go for it: If you're convinced that your business idea is viable, that you have what it takes and that it really is what you want to do – congratulations. You're in a strong position.

Reduce your risk: You could reduce your risk by developing your business part-time, starting more slowly or reducing the need for finance.

Change your business idea: Closer examination may have revealed some flaws in your thinking. Don't look at this as a problem – it's a challenge. A few tweaks here and there might make your idea much more viable.

Accept that it's not for you: You may have come to the conclusion that running your own business at this time doesn't suit your current circumstances. There's nothing wrong with this. However disappointing, it's better to come to this decision now than deal with the consequences of starting a business that may not work.



Find out more

Further develop your business by completing modules 3, 4, 5 or 6

**Module 3: Planning your business** will take you further into researching your market and working out your costs

Considering starting up?
businesslink.gov.uk/startconsider

Attend our Workshop: [Getting the basics right](#) workshop could be a useful next step for you

Talking to a local Business Link adviser can help you decide how to proceed.
Call 0845 600 9 006

The Business Link website also has additional information on setting up a business for people in particular circumstances.

Starting a business when economic conditions are tough
businesslink.gov.uk/startrecovery

Starting a business as a woman
businesslink.gov.uk/startwoman

Starting a business when you are 50 plus
businesslink.gov.uk/start50plus

Starting a business as a disabled person
businesslink.gov.uk/startdisabledplus

Starting a business as a minority ethnic person
businesslink.gov.uk/startminorityethnic

Starting a business on a low income
businesslink.gov.uk/startlowincome

Starting a business when you are young
businesslink.gov.uk/startyoung

Starting a business as a graduate
businesslink.gov.uk/startgraduate

2.9 Action plan

By working through this module you've taken an important step in deciding whether starting a business is right for you.

Take a few minutes now to write down any additional actions you want to take to move your business idea forward.

ACT

	What needs to be done	By whom	Date	✓
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

Starting a Business – The No Nonsense Guide is divided into six easy-to-follow modules. Work through it at your own pace or dip in and out, depending upon your areas of interest. Step-by-step, this invaluable resource will guide you towards your goal and help you succeed in business.



Module 1: Overview

summarises the basic steps you'll need to take in order to set up your own business



Module 4: Finding and keeping customers

covers researching the market, getting your business offer right and successful selling to customers



Module 2: Is starting a business right for you?

contains information and exercises to help you decide whether running your own business will suit you



Module 5: Managing money

explains the key skills needed to organise your business finances and how to apply for funding



Module 3: Planning your business

will help you to plan the practical and legal aspects of your business



Module 6: Your business plan

enables you to develop a business plan to use yourself or to help raise finance

As well as this guide, Business Link offers the following support:



Workshops to help you decide whether starting a business is right for you and explain what you need to know to make your business a success



Help and advice over the telephone. Call **0845 600 9 006** to talk to a local Business Link adviser



Practical guides and online tools on our website. Visit **businesslink.gov.uk**