

# Business 101


The basics

# Who am I?

- Consultant with more than 15 years experience
- Started many companies and some were acquired some failed
- Investor and entrepreneur
- Currently assisting a regional firm in terms of structuring their  
Technology Consulting line of service



# Some Statistics

- 95% of all businesses are micro-businesses less than 10 employees
  - $\frac{1}{3}$  of new businesses fail in 1<sup>st</sup> year
  - Improved survival rate for those that seek support and guidance
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# The Reality

Advantages		Disadvantages	
Financial rewards	Personal satisfaction	Long unsociable hours	Financial pressure
Freedom	Sense of achievement	Stress	Responsibility
Flexibility	Being in control	24/7 – no escape	Fluctuating income
Rising to the challenge	Job security	Juggling everything	Facing the unknown

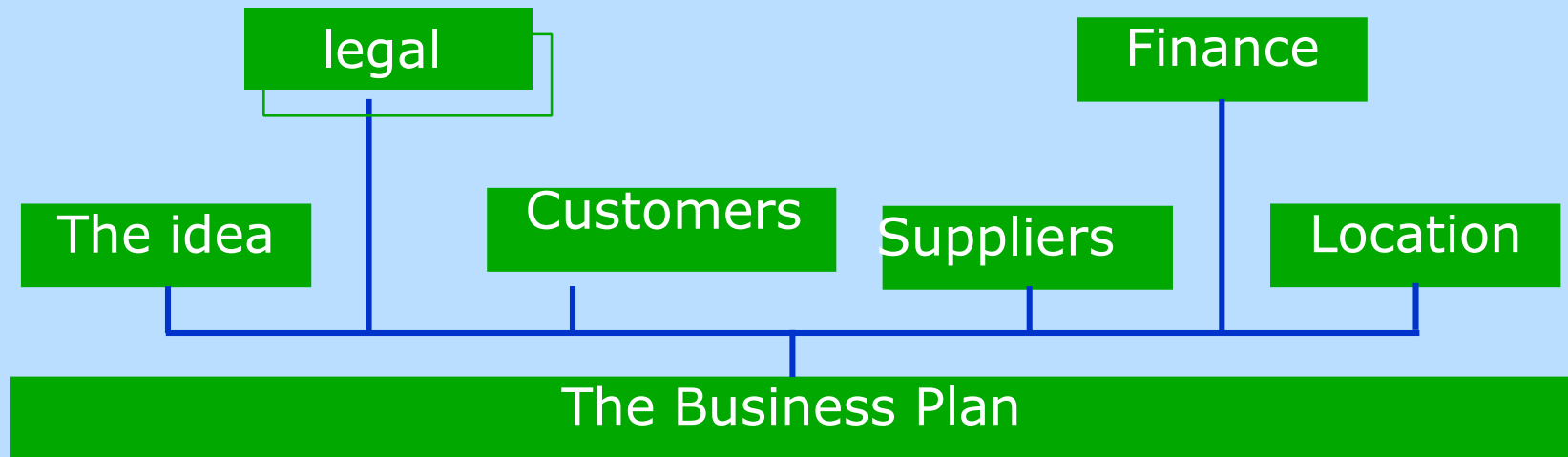
# Developing my business idea

- Use your skills
- Spot a gap in the market
- Turn a hobby into a business
- Buy in a product
- Create a product or service
- Take up a franchise
- Buy an existing business

THINK HOW YOU CAN DEVELOP YOUR BUSINESS

# Starting your own business – the vital ingredients

- Key ingredients to start your own business?



# The business plan

- A written business plan sets out broadly:
  - **What** you are going to do (Business idea)
  - **How** you are going to do it (Sales/Marketing)
  - **Where** you are going to do it (Legal status)
  - **What** you want to achieve (Products/Service)
  - **When** you are going to do it (Forecasts)

# Your business idea

- Have you clearly defined your proposal?
- Will your idea translate into a viable business?
- What do you know about your competitors?
- How are you different from the competition?
- There is always going to be competition !!



# Legal issues to consider

- Legal structure of your business venture
- Taxation, National Insurance & Value Added Tax
- Licences
- Various Insurances

# Legal status of your business cont.

## Options

- Sole Trader
- Partnership
- Limited Company (Shares/Guarantee)
- Limited Liability Partnership (LLP)
- Co-operative/ Social Enterprise

It's the law:

# Choosing your legal status

- Sole Trader

- ✓ One person is the owner
- ✓ You can employ others
- ✓ No business registration
- ✓ Keeping records and accounts is straight-forward
- ✓ You keep all the profits

- ✗ You are personally responsible
- ✗ Fewer social security benefits

It's the law:

# Choosing your legal status

- Partnership

- ✓ Two or more people own the business

- ✓ Working with someone who is equally involved in the business

- ✗ Partners have no financial protection

- ✗ Jointly and Severally Liable

- ✗ One partner can make commitments of behalf of the partnership

It's the law:

# Choosing your legal status

- Limited Company

- ✓ Business is a separate legal entity
- ✓ Company's finances are separate from the owners
- ✓ You are not liable for the company's debts
- ✓ Must be registered with Companies House
- ✓ Tax advantages; access to finance, etc.

- ✗ Strict requirements on registration, record keeping and submission of accounts
- ✗ Profits belong to the company

# My Customers

- Who are your customers going to be?
- Where do they buy from at present?
- Why do they buy?
- When do they buy?
- More importantly why will they buy from you?

# Suppliers

- Do you have suppliers in place?
- Do you know what levels of stock you will require?
- Do you know what terms your suppliers will require for payment?
- Where will you keep your stock?
  
- Example – Figurine client

# Location

- Where will your business be run from?
- Is this the right location for the sort of business you want?
- Do you need premises?
- Do you know the complete cost of occupation?
- Is working from home a viable option?
- Business in Focus property portfolio



# Finance & money

- Do you know how much it will cost to set up your business?
- Will you be investing your own money into the business?
- Will you need to borrow money to commence?
- Are you aware of sources of finance / grants?
- Have you worked out your minimum survival income?

# Types of Finance

- Loans
- Grants
- Your own money
- Equity/ Venture Capital
- Factoring
- Asset Finance

# Your own money

- The best way to fund a project if you can is to use your own savings and funds i.e no debt
- Best way to get through University would be no student finance –
- Reality!
- We don't all have \$\$ under the bed – so we have to rely on others
- Important to show commitment

# Grants

- Next best thing to own money is free money that is not yours!
- Why is this the next best thing?
- How long to get a grant
- Spend and then reclaim

“A tiny amount of money can start an empire”

Richard Branson

# Grants – different types

- Grant funding
  - N e d c o
  - exPorTT
  - CDB Grants
- Mainly government funds in the economy to boost business and kick start the economy

# Loans

- Bank Loans – business or personal
- Government backed loans – EXIM Bank
- Start up loan company – Tobago Venture Capital Equity Fund

A close-up photograph of numerous water droplets of various sizes on a dark, reflective surface. The droplets are in sharp focus in the foreground, while those in the background are blurred. The lighting is soft, creating highlights on the edges of the droplets.

**Sweat equity is the most  
valuable equity there is.**

Mark Cuban

# Campari principles of good Lending

- Character
- Ability
- Margin
- Purpose
- Amount
- Repayment
- Insurance



# Asset Finance and Factoring

- Two types of lending
- One secured against a fixed asset – normally a vehicle or a piece of equipment (tends to be short term max 3-5 years high interest)
- The other against the debtor book.
- Factoring vs Confidential Invoice Discounting

# Venture capital

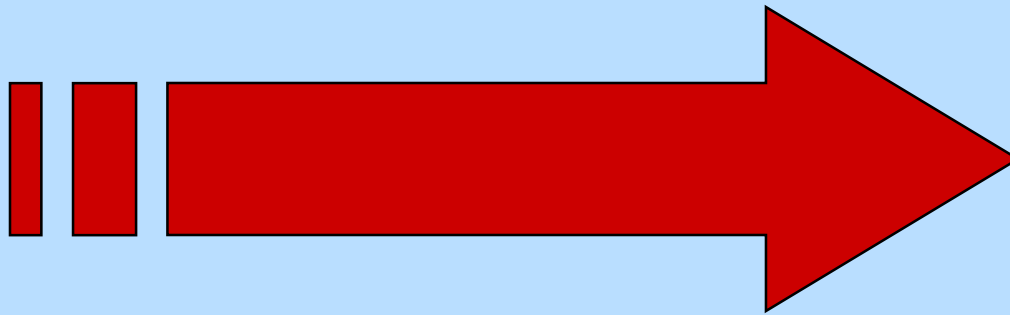
- In addition to the owners' cash equity in a business, two forms of venture capital are available:
  - Institutional Venture Capital
  - Private (Business Angel) Venture Capital
- Example – If I invested in your business – IT'S PERSONAL

DID YOU

KNOW



**Life is about...**



# Creating Value

Taking **calculated risks**

Listening to your  
**heart**

Realising your  
**aspirations**

.....

So is

Entrepreneurship

Why

are

Entrepreneurs

Unique ??

Some **defined** their lives..





Some **changed** the world...



AP / Paul Sakuma



Some are in **school...**



**Ryan Toys Review**) is a family friendly children's [YouTube](#) channel featuring Ryan Kaji, who is eight years old as of October 2019. One of the channel's videos, titled as "Huge Eggs Surprise Toys Challenge" has over 1.9 billion views as of November 2019, making it one of the 50 most viewed videos on YouTubeAs of November 2019, the channel has over 20 million subscribers, and its videos have garnered over 30 billion views.

[The Verge](#) has described the channel as "a mash-up of personal vlog and 'unboxing' video, a blend of innocent childhood antics and relentless, often overwhelming consumerism." According to [Forbes](#), Ryan earned \$11 million between 2016 and 2017 and was the eighth highest-paid [YouTuber](#). In 2018, he was listed as the highest-paid YouTuber, earning \$22 million from his videos.

Some sold **rubbish...**

Still became **millionaires...**

Szaky

Age: 23



**CEO**, TerraCycle ([www.terracycle.net](http://www.terracycle.net))

Selling **Plantfood** taken from rubbish

Revenue: ~\$5 **million**

So what

NeXt ??