

Illawarra Small Business Assistance

Starting out in Business – Are YOU sure you're in business for the right reasons?

The following list is not exhaustive but provides an overview of some of the key issues you need to address to ensure your business has a good chance of success.

- You must have the right personal qualities and possess a strong passion to succeed
- You must have the right experience and skills or be able to gain them
- You must have a clear focus and commitment to providing quality customer service
- You must have adequate capital without putting family assets at undue risk
- You must have a unique service provision or distinct product edge
- You must adopt the right structure to suit your business and meet compliance requirements
- You must clearly establish a defined market demand for your service/product
- You must match your finances and resources to your business plan – never forget that money management is the key to a successful business
- You must ensure your financial projections are realistic and achievable – track your expenses and put budgets in place

What Characterizes a well established business?

- Highly motivated owner with entrepreneurial attitude and a flexible approach to adjust and change to meet challenges.
- Good brand name, reputation and track record
- Consistent and reliable customer commitment
- A valued product or service mix that is distinct from the competition
- A competitive price structure
- A high-quality marketing strategy
- Good internal systems for all aspects of the business from ordering to marketing, accounting and HR
- Effective back-office systems and procedures which are clearly documented
- Robust reporting and management systems to monitor performance
- Appropriate incentive and reward for all staff based on strong KPI assessment
- An adequate ROI, not simply provision of a reasonable wage
- Ongoing process of market research, identification of customer needs and well established CRM processes
- An exit strategy that is realistic and viable

Characteristics of a Business that is ready For Sale

- A profitable history with a trend showing that sales and profits are increasing
- Margins have been protected and maintained
- A product or service that is still in demand and preferably in a sector of the economy that is growing
- Documented systems and procedures in place – from administration to marketing and customer service
- A transparent set of books and records
- A good team of staff with suitable contracts in place
- Owners working reasonable hours and taking regular holidays
- Not too much reliance on a few major customers or key suppliers
- A suitable lease with reasonable terms
- Up-to-date technology in place from inventory management to customer databases
- A price that is commercially realistic and justifiable

CONTACT:

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