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8TIPS FOR STARTUPS 101

Contents

Obtain a mentor	4
Have a savings fund	4
Expect no salary	4
Develop a solution to a need	4
Become a networker	4
Plan and budget your cashflow	5
Work twice as hard	5
Understand technology and market trends	5

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Introduction

When you start a company it is important to set it up correctly from the outset. The best place to start the process of registering your business, and to discover all the other things you need to do to comply with the many regulations that govern small business, is by talking with C8 Chartered Accountants www.c8ca.co.za

C8 Chartered Accountants delivers the personal attention of a small firm and the service efficiency of a medium size firm. We take pride in our work, the talent of our people, the depth of their experience and our collaborative responses to client's needs. The diversity of our staff and work ethic greatly differentiates us from firms of similar size.

We built our practice and reputation on the cornerstones of value for money, quality of our services, empowerment of our clients and staff. The firm has a large number of high-profile clients. This and our pool of wide ranging experience across dynamic sectors, has led us to being retained by our clients for audit, accounting, tax and other business services.

By partnering with C8 Chartered Accountants you will experience the energy and freshness of dedicated and professional staff to serve our clients and make sure that all jobs are done in a professional manner.

Call us today, we would love to help you.

So, what are we going to talk about in the free Ebook? Well, first off before you get carried away with the dream of being your own boss, and becoming the next Bill Gates, you should take stock and think about what life will be like as an entrepreneur. It's easy to get excited about the potential for the product, or service you are planning to sell, or the fact that at last you can truly turn your hobby, or natural skill into a way to earn a living.

Starting a new small business is the dream of many people ... starting that business converts your dream into reality. But there is a gap between your dream and reality that can only be filled with careful planning. As a business owner, you will need a plan to avoid pitfalls, to achieve your goals and to build a profitable business. Below you will find a collection of tips to help you turn your new business into a success.

Enjoy.

8 Tips for Startups

1. Obtain a mentor

Many successful people have named mentors as being critical to an individual's success. Mentors are crucial in helping individuals connect the dots between their abilities and their potential, their goals and their successes. When it comes to difficult decisions which small business owners might need to decide on such as accepting an investor, negotiating a large deal, cash flow issues or a business disagreement. The world of business can be a lonely place and mentor ensures accountability and provide the advice, confidence, and the network that allows individuals find their avenue of success.

2. Have a savings fund

This can be a lifeline for an entrepreneur experiencing a trying financial situation. People who've had large and unforeseen expenses arise can probably either tell you how happy they were that they had emergency funds, or how difficult it was to find the money to cover expenses for their businesses. As with most finance-related issues, pre-planning is a key factor in successfully weathering the storms that small business owners will definitely face along the journey to success.

3. Expect no salary

What should your small business owner salary be? Unfortunately, the answer isn't "whatever you want it to be." How much to pay yourself depends on your stage in business and your business's profitability. Sometimes especially during the start up phase you can expect to go home without a payslip and this could go along for prolonged period unless there is an active discipline to fulfil a need in the market and timing of this product or service is on par.

4. Develop a solution to a need

Start off small, target a market that requires a specific need. In the period of solving the need and obtaining the first customers ensure the service levels are great and refine your product or servicing offering as you obtain client feedback. Constantly evaluate customer experiences so that when product is moved from start up phase so that the product and service is well designed for the market.

5. Become a networker

Networking is one of the most essential personal skills for business people and entrepreneurs. Communication and strong presence in the entrepreneurial ecosystem are productive approaches which will help you along your way to building strong relationships with other entrepreneurs from different age groups, nationality and fields of interest.

Business networking events organized around the world bring together extraordinary groups of highly-skilled and talented entrepreneurs who are united around the idea of

communication, sharing, creating and developing ideas and last but not least meeting with potential partners whether customers, suppliers or investors.

Many large deals for SME's have resulted from a connection for business breakfast or networking meeting which has been the initiation for the process of developing relationship with business partners. These events attract people from different experience levels and backgrounds. All these people are looking for connection, inspiration, advice, opportunities and mentors.

6. Plan and budget your cashflow

A cash budget is extremely important, especially for small businesses, because it allows a company to determine its working capital cycle. This is the dominant factor why small business in South Africa does not survive so the management of cash flow is fundamental and critical. Once your business is operational, it's essential to plan and tightly manage its financial performance. Creating a budgeting process is the most effective way to keep your business - and its finances - on track

Begin by asking these questions:

What are the projected sales for the budget period? Be realistic - if you overestimate, it will cause you problems in the future and financial institutions and investors will see through your forecast.

What are the direct costs of sales – i.e. costs of materials, components or subcontractors to make the product or supply the service?

What are the fixed costs or overheads?

What is my expected net profit margin?

7. Work twice as hard

As an entrepreneur for every hour your colleagues or friends work, you will most likely have to work twice as hard. The reason for this is that as the founder of the business you run all aspects of the business such as finance, marketing and operations. A large amount of time will be dedicated to administrative duties that might not be aligned directly to revenue. This hard work does pay off but for initial start up period this work ethic must be an accepted reality.

8. Understand technology and market trends

Every startup and existing company needs to understand the revolutions undertaken in the form of technology. These technologies can help anyone to create their own value and further define their unique selling proposition. As the digital age is here remember the way we did business 50 years ago might not be the way business will be done in the next. The entrepreneur and the business should always be evolving and examining the market and refining your product and service.



About the author

Royston Benjamin is the founder of C8 Chartered Accountants located in the middle of Cape Town's city centre. His mission is to help visionary, ambitious entrepreneurs who have recognised growth potential to take their enterprises to the next level.

Most times his job relates to helping these entrepreneurs with strategy planning, accounting and book keeping tax returns and business analysis issues, but frequently that help transcends from one human being reaching out to another at a time of need.

He sees clients in their successes and cheer them on, and he sees their failures as he tries to be there to help pick them up when they fall. He serves clients who are mainly - but not limited to - in the following industries: food & beverage, property, technology and retail.

Initially, he completed his articles at BDO Auditors & Accountants whereafter I he served as a director at another small practice before he founded C8 Chartered Accountants. His practice is lean and nimble, dedicated to providing "Big Advisory" partner-level expertise to clients facing their most demanding business issues and goals.

Specialties: Preparing financial statements, Independent reviews, Providing Assurance, Small sized businesses to Medium sized businesses, Company and personal taxation, returns & compliance, Advisory and business consulting, Strategic planning

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