



BUSINESS & PERSONAL TAX SUPPORT

New-business challenges 2023/24



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Setting up a new business is not a project for the faint of heart. In this fact sheet we have set out a few of the roadblocks you are likely to encounter on your journey and a few ideas that will help you stay on-track.

What to do before taking the plunge

Most people who set up their own business will tell you it was more of a challenge than they expected and that it took longer to achieve business success than they anticipated. Here are some of the personal issues you might like to consider.

- Personal sacrifice. Starting a business is a life-changing event and will require hard work and long hours, especially in the early stages.
- Financial insecurity. We all hope that our efforts will be financially rewarding, but what if they are not in the early days of your new business?
- Loss of employment rights. You will need to take care of yourself as you may no longer receive sick pay or be paid when you are on holiday – indeed you may not have time for holidays.
- Pressure on close relationships.
- Do you have the necessary skills? Are you an engineer with a yen to open a restaurant?

Planning – a must-do before your start

A detailed business plan is the key to making a success of your new business.

You will need to show it to anyone who you ask to invest in your business. You will also need to show it to your bank or other institution who you approach to help finance your new business.

They will all want to know that your ideas have been thought through and that there is a good chance of getting their money back.

Your plan should include an explanation of how your business will start, build, and develop. You also need to know who you are competing with and what will enable you to be successful. The plan should describe the business, product or service, your marketplace, mode of operation, capital requirements and projected financial results.

It's your business and your ideas but we can help you craft a credible business plan.

Economic challenges

The exceptional disruption to the UK and global economy during the past few years has forced us to reconsider what we have assumed is “normal” in terms of business activity.

Accordingly, timing your launch date is important. The early part of 2023 may not be the best time to consider starting a business until inflation and interest rates have normalised.

Also, if you need to raise capital in order to fund the launch of your business, lenders may not be that enthusiastic about financing the purchase of a business in a sector that was previously, adversely impacted by COVID lockdowns.

Online trading

If your new business intends to trade in goods rather than services, you may want to plan to have an online sales platform, especially if you are selling direct to consumers.

Many existing businesses that have adapted in this way have been far more successful in weathering COVID disruption than those waiting for customers to shop in-store.

Supply disruption

If your business intends to trade with the EU, you would do well to research the customs regulations you will need to comply with.

If you are importing goods from abroad, you would also be wise to investigate any delays to deliveries affected by the continuing hostilities in Ukraine.

Eyes wide open

Taking on a new business start-up is a dream that needs a dose of realism in order to succeed.

The comments we have made in this fact sheet are not intended to put you off your new venture, but to help you succeed by avoiding the pitfalls that budding entrepreneurs now face.

We have used reasonable care and skill in assembling the information in this update. However, the information presented cannot be tailored to personal circumstances or particular situations. There may also be factors relevant to you which fall outside the scope of this publication. Accordingly, the material presented does not constitute personal or business advice. You should not rely solely on this update to make (or refrain from making) any decision or take (or refrain from taking) any action.

Other matters that you may like to consider as part of your planning include:

- See if you can discuss your business plans with someone – preferably not a likely competitor – who already runs a successful business of the type you intend to launch. Ask them to describe the sort of difficulties you are likely to encounter and how best to tackle them.
- You will need professional advisors to help you set up and manage your business. These may include a: surveyor (if you are buying property), solicitor, financial advisor, insurance broker and – very important – an accountant.
- Be sure to select a business structure that protects your personal assets, particularly your home. The key phrase here is limitation of liability.

We can help

We have been fortunate in helping many new business owners set up and successfully establish their business dream. You can tap into this wealth of experience by discussing your new business plans with us.

We would be happy to call you or organise an initial online call to discuss your options on a complimentary basis.

In the coming months there will always be room for new business owners who are informed, have done their homework, have a detailed business plan and the backing of a professional advisor committed to their success.

Pick up the phone, we would love to talk with you.

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