

# **A Guide to Starting Your Own Business**

**Commissioned by  
The Tipperary North County Enterprise Board Ltd.**



**Tipperary North County Enterprise Board Ltd., Connolly Street, Nenagh, Co. Tipperary.**



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EUROPEAN REGIONAL  
DEVELOPMENT FUND

*Investing in Your Future*

**Tipperary North County Enterprise Board Ltd.**

**Mission Statement**

**To stimulate a spirit of enterprise and to facilitate the creation of employment and the development of sustainable micro-enterprises in Tipperary North through support, assistance and promotional activities whether financial, training or otherwise.**

**Disclaimer**

**The contents of this guide are believed to be accurate at the time of publication but no responsibility can be taken by the Author, or the Tipperary North County Enterprise Board Ltd. for any errors herein.**

**Readers should take professional advice before entering into any legally binding commitments or investing funds.**

## FOREWORD

This ***Start Your Own Business Guide*** has been produced primarily to assist individuals thinking of starting their own business and should also prove useful to the promoters of early stage enterprises. The guide contains information, advice and direction in relation to the steps involved in starting a business, supports available and organisations relevant to the particular project. Over the past 10 years the Tipperary North County Enterprise Board Ltd. has delivered a series of demand-led training initiatives and developed a suite of interventions designed to accelerate the growth and development of the micro-enterprise sector and strengthen management capability in the county.

The Tipperary North County Enterprise Board Ltd. is one of 35 Boards throughout Ireland established in 1993 specifically to support and develop the micro-enterprise sector. The Board's focus is on manufacturing and internationally traded services and is limited to firms employing fewer than 10 staff.

Details of the financial and non-financial supports available from the Tipperary North County Enterprise Board Ltd. have been outlined in this publication. Apart from cash grants (a percentage of which is refundable), the Board is also responsible for promoting an enterprise culture and raising enterprise awareness in the county and each year close to 1,000 individuals benefit from CEB supports, either financial or non-financial. This guide has been commissioned to supplement the Board's website [www.tnceb.ie](http://www.tnceb.ie), a resource for entrepreneurs, owners and managers which already contains business plan and cash flow templates, hints for business start-up, full information on supports available, a training calendar etc.

I do hope that you will find the guide to be a useful reference and that it will highlight for you the sensitive and complex issues associated with a new business start-up ranging from personal to financial, to taxation, to compliance etc.

*Rita Guinan*  
*Chief Executive Officer*

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# CHAPTER 1 - THE DECISION TO START A BUSINESS

## Your Reasons

People start businesses for a variety of reasons:-

- a desire for greater freedom;
- the future in their current place of work looks uncertain;
- they have been made redundant;
- a belief that they will make more money and enjoy a better standard of living through self employment.

## Key Questions You Should Ask Yourself

If you decide to start a business the key questions you should ask yourself are:

- (i) Do I have what it takes?
- (ii) What will I do - Is there a product or service I could provide?

## Your Objectives

One of the first things to do is to focus on your personal and business objectives. It is useful to write them down so that you are clear about what you really want.

### Specific Personal Objectives

(e.g. "I want more control over my life")

.....

.....

.....

### Specific Business Objectives

(e.g. "I want to establish a profitable craft workshop with a turnover of €250,000 within three years")

.....

.....

.....

## ***Start Your Own Business Guide***

Failure to reconcile personal and business objectives at the start can lead to problems at a later stage in the business.

### **Can I Do It?**

YES! You don't have to be a superman or superwoman to start a business. Think of all the positive attributes you can bring to a business. Write them down before you complete the Self-Assessment Checklist. Remember the following points.

- You may not have the skills to run a large company but most people have the ability to earn an income for themselves.
- Commitment is one of the most important steps in building your business.
- Not everybody is a "natural" entrepreneur but it is possible to learn.

These guidelines will help you to deal with any setbacks that you may encounter. You should start by completing the self-assessment checklist and by reading "Start Your Own Business - 10 Steps to Take" on page 3.

**Remember also to involve professional advisers such as your accountant and solicitor at all stages of your business start-up and on-going development.**

### **Self-Assessment Checklist**

If the answer to most of the questions is "yes" and you have answered them honestly, there is a good basis from which you can build a business. It would also be useful to bring your checklist to someone you know whose business expertise you respect and go through it with him or her.

If you have given full consideration to all the implications of running your own business but you do not have any specific product or service idea the next section of this guide will assist you in identifying a new business opportunity.

**SELF-ASSESSMENT CHECKLIST**

	<b>Yes</b>	<b>No</b>
1. I have a clear focus on what I want to achieve.	<input type="checkbox"/>	<input type="checkbox"/>
2. I am prepared to work hard and give a full-time commitment to the business.	<input type="checkbox"/>	<input type="checkbox"/>
3. I have the necessary persistence to stick with the business through thick and thin.	<input type="checkbox"/>	<input type="checkbox"/>
4. I have support from my family and friends.	<input type="checkbox"/>	<input type="checkbox"/>
5. I recognise the importance of good professional advice and guidance.	<input type="checkbox"/>	<input type="checkbox"/>
6. I am prepared to risk my own money in the business.	<input type="checkbox"/>	<input type="checkbox"/>
7. I am prepared for the responsibilities associated with owning my own business.	<input type="checkbox"/>	<input type="checkbox"/>
8. I have specific skills and know-how in the product or service area I am contemplating.	<input type="checkbox"/>	<input type="checkbox"/>
9. I have sufficient general business experience.	<input type="checkbox"/>	<input type="checkbox"/>
10. I have the ability to learn from my mistakes.	<input type="checkbox"/>	<input type="checkbox"/>

**Start Your Own Business - 10 Steps To Take**

**1. Know yourself**

- Can you work alone?
- Can you take responsibility?
- Are you of a positive disposition?

**2. Are you prepared to take a risk?**

- Starting a business will involve risking your savings.
- Are you prepared for this?

**3. Research your market**

- What is the extent of the market for your product/service?
- Who are your customers?
- Who are your competitors?

**4. Look at your production requirements – premises, machinery and labour**

- Where will the enterprise be located?
- What considerations are important in the choice of premises?
- What machinery is required?
- Will employees require additional training prior to commencing work?

**5. Work out your total costs**

- What costs are involved in the purchase of capital equipment/premises?
- What are your labour costs?
- What is the cost involved in production?

**6. Estimate your selling price and plan how you will achieve sales**

- Taking the above factors into consideration estimate your selling price.
- Who/where is your target market (local/national)?
- How will you promote your enterprise?
- What channels of distribution will be used?

**7. Decide the legal framework of your business/check out any legislation that might affect you**

- What business structure will the enterprise use – sole trader, partnership, limited company?
- Have you registered your business name with the register of business names? ([www.cro.ie](http://www.cro.ie))
- Have you registered as self employed?
- Are you familiar with your obligations as an employer?
- Are you familiar with your tax obligations (Income & VAT)

**8. Check out your sources of materials/supplies, their availability and cost**

- Where can the raw materials be purchased?
- Have you received quotations from a number of potential suppliers?

**9. What are your total financial/investment requirements?**

- How will you fund the project (personal investment, grant aid, loan)?

**10. Produce a Business Plan**

- Using our template or other, commit all relevant information to paper – be realistic and set targets based on the research carried out.

<b>Set out the action you must take:</b>	
<b>1.</b> _____	<b>6.</b> _____
<b>2.</b> _____	<b>7.</b> _____
<b>3.</b> _____	<b>8.</b> _____
<b>4.</b> _____	<b>9.</b> _____
<b>5.</b> _____	<b>10.</b> _____

## CHAPTER 2 - NEW BUSINESS SEARCH

### Introduction

To start your own business you need a good business idea on which to build over the years ahead. This section is designed to assist you in your search for that idea.

Entrepreneurs do not wait for someone to come up with an idea for them. They go out and find it themselves. You should identify the idea or opportunity and be comfortable with it. Identifying the right business idea requires hard and persistent work, the capacity for which will stand you in good stead as you go on to develop the business.

It is important that you organise the search process efficiently. Material gathered should be collated and stored to enable easy reference, retrieval and cross checking. A plan of the time to be allocated to the search should be drawn up. Ask yourself: "Am I prepared to devote a number of weeks to this task?" If you are ambivalent about the importance of sourcing the right business idea, you should reconsider what you are doing. You may know of people who just "fell across" a business idea. However, the majority of successful entrepreneurs place great emphasis on the necessity to identify the right product or service at the outset.

**You should keep the following points in mind as you search for a business idea.**

- **Work at it.** Good ideas are born of hard work. The phrase "sweat equity" has been coined to recognise the time and energy you invest in researching the business opportunity. Don't rush or short-circuit this phase as the effort spent on clarifying and checking out ideas will be rewarded. The identification of the business opportunity is the most fundamental decision you will make. This will be your first strategic decision in business.
- **Keep it simple.** Some of the most successful businesses are based on very simple ideas. The product or service in many small companies is often quite ordinary, yet it enables that company to exist and grow. While many new businesses are based on innovative new products and services, it is possible to be successful by offering a modified or improved version of existing products or services.
- **Think long term.** Don't start out looking for something that will make you a millionaire overnight. It is critical to look for and assess an opportunity which will provide a long-term business with the potential to succeed.
- **Consider your skills vis-à-vis a possible niche market.** Most successful small businesses are based on the previous work experience of the entrepreneur. Start by assessing the skills and knowledge you have. Can you promote a service in a better way? Can you build a business on something simple that is required locally?

## **New Business Options**

The four ways of getting into business are as follows:-

### **1 Identification of a new product or service**

A common means of starting your own business is the identification of a product or service that you want to sell.

Look for one or all of the following:-

- **A clear, unambiguous need.** Necessity is not only the mother of invention but also the greatest source of new business opportunities. The need may be obvious and simple – a corner shop in a housing development, a late night takeaway, a crèche for children with working parents.
- **An innovative product or service.** From your experience within a particular industry, you may perceive a need for a product or service that could solve a specific problem. During your search, you can see if this problem is pertinent only to the industry in question or if the solution you have in mind could be of interest to a wider range of companies. If so, this could potentially open up a much bigger market for your idea.
- **Areas undergoing change.** Change is the single greatest source of opportunities for entrepreneurs.
  - *Change in population.* The growth of a town through housing development initially provides opportunities for builders, then interior designers and furniture companies, followed by crèches, restaurants, dry cleaners, newsagencies and the usual variety of retail services. The changing age profile of a population can also provide business opportunities. Recently retired people with middle incomes are the source of significant income for travel agencies and airlines during the off-peak seasons of the year. In later years the same group will be in the market for retirement villages and quality nursing homes thereby providing a different sector with the opportunity to develop these services.
  - *Change in the way we live.* A more health-conscious population wants increased leisure facilities, greater varieties of sports clothing and equipment and low fat food products. The growing popularity of household pets, in urban areas particularly, has led to the establishment of animal grooming companies, boarding kennels and breeding and training facilities. A major change in attitude to food has resulted in opportunities for a vastly increased variety of restaurants across all price ranges.
  - *Change in an industry.* A growing requirement in many businesses for specialist expertise has created a variety of niche opportunities for people with specific skills. By carefully examining the sector in which you have most expertise you may find a new business idea. Change is the single greatest source of opportunities for entrepreneurs.

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- *Change in technology:* Technological change has never been more important as a source of new business development. The introduction of the mobile phone has brought a variety of opportunities to people servicing the mobile phone market. The Internet has enabled entrepreneurs to build profitable international businesses through niche websites. Broadband communications will present many more opportunities for new enterprises based on services delivered direct to the home or office.

## 2 Buying an existing business

You may decide to buy an existing business rather than start from scratch. The advantage of taking over a company with a proven track record is that you can take up the reins straight away and start generating income. However, it is very important to have a long, hard look at the business in question and systematically consider the following points before you reach a decision.

### Buying an existing business - Checklist

Tick the appropriate box	Yes	No
Does the existing owner have an acceptable reason for selling?	<input type="checkbox"/>	<input type="checkbox"/>
Is the business in sound financial condition?	<input type="checkbox"/>	<input type="checkbox"/>
Have you seen up-to-date audited accounts?	<input type="checkbox"/>	<input type="checkbox"/>
Are the tax affairs of the business in order?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have a comprehensive list of debts or any charges against the business?	<input type="checkbox"/>	<input type="checkbox"/>
Is the business presently involved in any unresolved legal disputes or actions?	<input type="checkbox"/>	<input type="checkbox"/>
Does the business have the potential for future growth?	<input type="checkbox"/>	<input type="checkbox"/>
Does any single customer account for a large portion of the sales volume?	<input type="checkbox"/>	<input type="checkbox"/>
If so, would the business be able to survive without this customer?	<input type="checkbox"/>	<input type="checkbox"/>
Could a change of ownership have a negative impact on sales or customer loyalty?	<input type="checkbox"/>	<input type="checkbox"/>
Would a change of ownership cause any movement of key personnel?	<input type="checkbox"/>	<input type="checkbox"/>

If all of the above questions can be answered to the satisfaction of you and your advisers, you are in a good position to proceed.

Businesses for sale are often advertised in the national press. You can also place an ad yourself or consult your accountant who may know of a suitable investment.

### **3 Franchising**

One way to launch yourself into business is to become a franchisee. Advantages of this approach include the following.

- The franchisee is investing in a tried and tested business. This helps avoid major problems in the start-up phase as well as improving the probability of success in the longer term.
- The franchise system usually has a recognised name and an established image or reputation. The franchisee can also benefit from national promotion and advertising for the whole franchise system.
- Assistance, supervision and training are provided during the start-up period and beyond, reducing the likelihood of failure.
- The franchisee is provided with the systems needed to operate the business e.g. administration and service procedures.

#### **There are certain drawbacks in choosing the franchise option.**

- There is little scope for the franchisee to show initiative or flair in the areas of product, service or design.
- The franchisee relies heavily on the capability of the franchisor to develop the system as a whole.
- The franchisee is essentially investing in intangible assets, i.e. the name, reputation and goodwill associated with the franchise. In the event of these assets turning out to be worthless, no finance is recovered as these are not tangible, saleable assets.
- As well as paying an initial fee to the franchisor, continuing fees must also be paid. These are normally based on either gross turnover or profits. In either case the franchisee must ensure that the level of business projected for the unit justifies the fees paid to the franchisor.
- It may be difficult to ensure that the franchisor fully performs all the obligations laid out in the agreement. It is important to take professional advice from an investment and legal adviser from the start.

There is now an extensive range of dedicated franchise websites that will assist you in your search for a new franchise opportunity: -

- [www.franchise.org](http://www.franchise.org) - Website of the International Franchise Association.
- [www.franchisedirect.com](http://www.franchisedirect.com) - A network of franchise websites, one of which - [www.franchisedirect.co.uk](http://www.franchisedirect.co.uk) - is dedicated to Britain and Ireland.

## **4 Representation**

Representing an existing company as an agent or distributor is another means to starting your own business. Representation can provide you with a product on which to base your business.

It is possible to develop the business by expanding your product line or by importing new products from overseas to fill a gap in the domestic market.

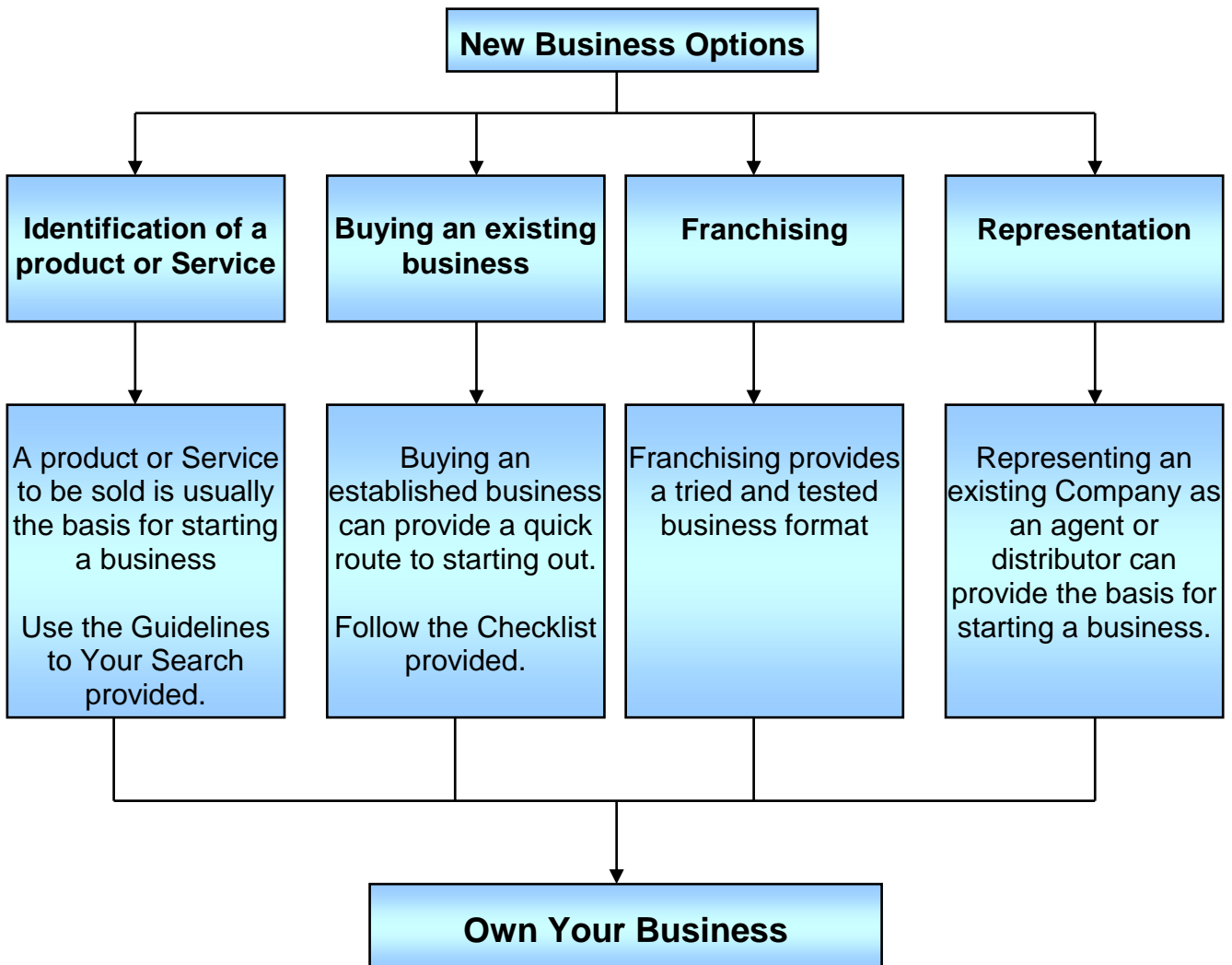
### **Conclusion**

Once you have decided on the product or service area in which you want to start a business, you should ask yourself if you have a real, genuine interest in the product or service concerned. Do you like to read newspaper articles, books or magazine articles about it? Would you spend a Saturday visiting an exhibition about it just out of interest? A genuine liking for the nuts and bolts of the business you are looking at is important. When you have decided that you can match your skills and knowledge to the opportunity you have identified, it is necessary to carry out research to determine if there is a market for it.

The next step is to plan and structure your market research.

## New Business Options - Summary

Any of these four approaches can provide you with the path to your own business



**Set out the action you must take:**

1. _____	6. _____
2. _____	7. _____
3. _____	8. _____
4. _____	9. _____
5. _____	10. _____

## **CHAPTER 3 - TESTING THE MARKET**

### **Determining Demand For Your Product or Service**

Market research is a fundamental step in bringing a project to fruition. It will assist you in deciding whether or not to go ahead and will also, if the research is good, help to guide and direct you in the early years of operation. Market research is getting answers about the demand or potential demand for your products or services. Don't be discouraged if you have difficulty getting people or organisations to co-operate with your research. Sometimes they just don't want to spend the time on an activity they perceive as being of little benefit to them. Sometimes companies are not willing to provide assistance to a potential competitor.

You are likely to experience a whole range of responses from the door being closed in your face to the enthusiast who promises to buy everything you produce. Enthusiastic promises can lead to serious problems if they do not translate into orders. If, for example, you base your projected income for the first quarter on verbal commitments to buy your product or service and these do not materialise, you would be in immediate difficulty. If you encounter a high level of interest in your product or service, go back for a second visit and seek a commitment in writing. You may be surprised at the reluctance to put it on paper. Be aware that some buyers take the view that new entrants increase their choice of suppliers, enabling the buyers to negotiate better prices with their present suppliers.

All too often, because of the significant time and effort involved in getting information, people short circuit their market research and produce unrealistic sales forecasts as a result. These are then linked to cashflows to make them look positive. The reality is that you can save yourself much future stress and trauma by getting your market research and planning right at the start.

### **Step 1: Research Objectives**

The key research objective of anyone starting a business is to determine whether or not there is a market for the product or service which could sustain a profitable enterprise. Think about the information you need and the questions you should ask to obtain it. As the market research is being carried out, refer to the questions continuously to ensure that you are getting all the information you need. The questions must ask, for instance, who the customers are, where they are located and if there is a genuine interest in your product or service.

## **Step 2: Set out your Research Plan**

Set out a research plan which will prioritise the information you need, where you are going to get it and how you are going to analyse it. Collecting information that is interesting but not necessarily relevant is a waste of your time. You must focus on facts. Revert to your list of questions and see if you have really answered them. For example, if you are thinking of opening a retail unit in a new shopping centre you may assume that the drawing power of the anchor tenants will guarantee business for you. On what do you base this assumption? You may indeed have gone to similar developments elsewhere and carried out market research which supports your theory. It is vital also, however, that you undertake research in the centre in which you are proposing to set up. No two towns, no two shopping centres are the same.

**The following information will be needed in any business.**

- **An assessment of the business sector you are planning to go into.** You need to know the profitability in the sector as it is an important factor in determining the profitability of your individual business.
- **You need to know your customer.** Develop a customer profile which will help you pinpoint the location of your potential customers and provide clues about how to get their attention. Describe your target market in the following terms:
  - *Wants and needs* your customers have and how your product fulfils them.
  - *Characteristics* they share such as age, income level, education level, social background, sex, number of children, marital status, where they live, etc. (more relevant for consumer marketing as opposed to business to business marketing)
  - *Habits or hobbies* they exhibit - For example, your target audience may be dual income households where free time is at a premium, which makes them good candidates for meals delivered to their homes.
  - *Buying habits* they exhibit - When do they buy? How much? How often? Payment preferences (cash, credit card etc).
  - *Publications* they read regularly (local newspapers, shoppers' newsletters, bulletin boards, etc.)
  - The purpose of your communications with them is to show your appreciation and to keep them informed rather than on making sales. With your best customers you might want regular meetings or phone contact as well as mail shots.
- **You need to know your competition.** Who are they, how many, how big or small? What has been their attitude and reaction to new entrants in the past? What are their strengths and weaknesses?
- **You need to know about pricing.** Is there price discounting in the market? Is the customer price-sensitive?

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- **You need to know about changes that are taking place in the sector.** Computer games or fashion clothing, for instance, are subject to rapid change so even during the period from initial idea to start-up you may have to review your assumptions.
- **You need to know** about location, traffic flow, parking, pedestrian flows and activity patterns if you are in retailing.
- **You need to know** the best means of promoting and advertising your product or service.
- **You need to know** the best channels of distribution for your product or service.
- **You need to know** if the market for the product is growing or declining. Having detailed all the information you need, you should now proceed to the implementation of your market research.

### **Step 3: Gathering the Information**

Work on information gathering can be divided into two areas.

#### **Secondary Sources**

This is information gathered from statistics or reports that have been compiled by another person or organisation, hence the secondary source reference.

- *Libraries.* Public libraries which have a business section, such as the ILAC Library in Dublin, are a useful source of information. A business library which has newspaper cuttings or magazine articles can help you to build a picture of the relevant sector and the advantages and disadvantages of going into business in it.
- *Government Agencies* - The Government agencies such as Enterprise Ireland, Shannon Development and Udarás na Gaeltachta have excellent libraries which may be of assistance during the search process.
- *County Enterprise Boards, Chambers of Commerce or Specialist Trade Associations* - relevant to your area of research, are all additional sources of information. A report by a local trade association or Chamber of Commerce can provide information on a town or area of a city.
- A thesis carried out on the area by 3rd level colleges or a student can contain a wealth of information compiled from many sources.
- Census information, combined with household budget surveys, can also help to build a picture.

#### **Primary Sources**

There is a limit to the information that can be obtained from published sources. The picture will have to be filled out by your own direct research. There is no substitute for going out and systematically talking to as many people as possible.

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Primary research for any project would include the following.

- *Buyers* - identify the key buyers and seek a meeting with them. Critically assess their response and interest in doing business with you. Seek out commitments if possible from key buyers which could give you some work to get started. Enthusiastic entrepreneurs sometimes do not listen to what is being said or do not observe signals being given thereby distorting the reality of the responses to their enquiries. Avoid a hit-and-miss approach where you speak only to a few people. Above all, be prepared for answers you may not want to hear.
- Identify a similar business in another town/city and, if you can, glean as much information as possible from the owner about the running of the business using a prepared list of questions.
- Work in a similar business elsewhere if possible to fully understand how to make a success of it. Location - in a retail business location can be critical. Spend time looking at the flow of pedestrian traffic and at parking and access to the unit. Competitors - visit competitors' premises where possible to assess product or service quality. Write to a number of similar businesses in Ireland and overseas for copies of their promotional literature.
- There are regular trade fairs or exhibitions in Ireland and/or the UK associated with most industry sectors where competitors' products can be assessed. Use your competitors as case studies and examine them to see what you can learn from their successes and mistakes.
- Approvals and regulatory controls - for many products approval may have to be obtained before you start production. Planning permission can be difficult in some situations and can involve significant delays.
- Sellers of complementary goods/services - talk to sellers of complementary goods and services provided there is no conflict of interest with them.
- Industry experts can provide very useful advice on particular industries. Contact editors of trade and technical journals as they are usually well informed on their subjects.

Experience has shown in the case of many failed companies that the owner managers involved had felt anxiety or concern at the early, critical stages but lacked the strength or discipline to change course or stop. If you feel concerned about the business proposition, get more information. This will give you the necessary confidence to continue or it will confirm your doubts. If it does the latter, exit from the business and, should you wish, start again on something new. If your market research demonstrates a market potential on which you can build a viable business the next step is to investigate some of the practical aspects that should be examined before going ahead with the business.

## **CHAPTER 4 - GETTING STARTED**

### **Introduction**

If you are now confident that a market opportunity exists, the next step is to find out what facilities and equipment you will need to make the product or provide the service. Although this is dealt with here as a chapter on its own, you may well have gathered pertinent information in the course of your market research.

To establish your business you will need to consider the implications of producing the product or service from an operational point of view. Study the chart on page 16 to see the steps you should follow.

A good principle in relation to developing the business is to start in the smallest possible economically viable unit.

Costly mistakes are often incurred in the first one or two years. If you keep the business small at the start such mistakes can be controlled and not put you out of business. Also, keeping overheads as low as possible will ease financial pressure and allow you to build up a solid customer base over time.

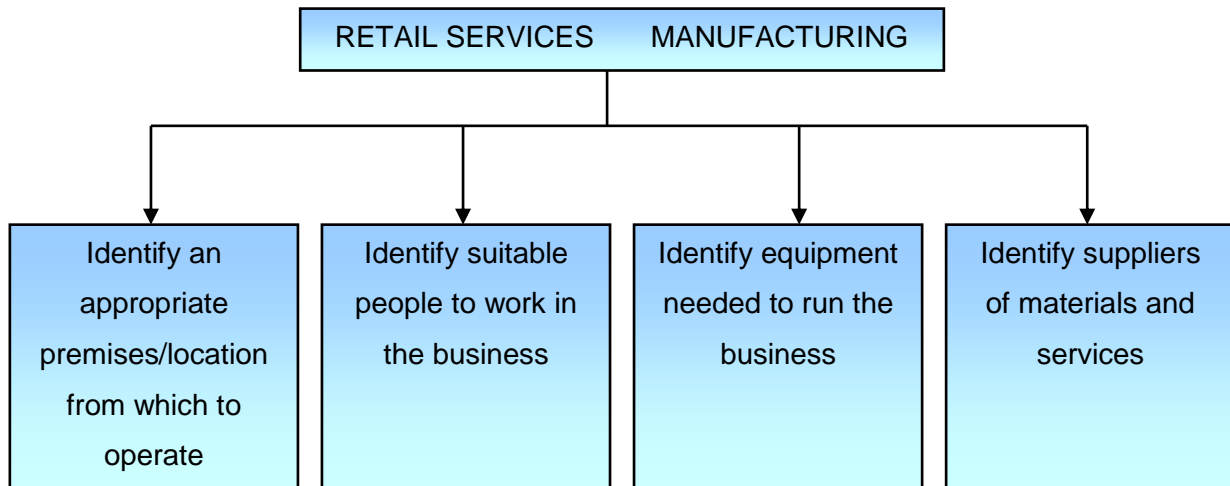
This section will examine the operational aspects of setting up a business in three different situations.

### **Retailing**

Retailers often refer to the three critical factors in retailing success as location, location and location! The ability of a retailer to attract customers can depend heavily on site location. Also, the cost of leasing, buying or building premises will have a large impact on profit margins. The importance of the site location decision for the retailer cannot be overestimated.

Your market research should reveal the general character of the area in which you want to locate your premises. It is important to have access to a population that is large enough or affluent enough to support your particular business. Also, planned developments like new housing estates, shopping centres or new roads and motorways will have a major impact on your business potential.

**GETTING STARTED**



If you are in the fashion or food business it would be ideal to have a prime site on the high street. The search for a retail unit of the right size with the appropriate planning permission for your requirements could take up to 18 months. This is a difficult task, involving systematic and regular contact with auctioneers and estate agents, complemented by repeated walks of the relevant streets or shopping centres. Carefully assess the cost of fit-out as the unit may be no more than a concrete shell with significant work required to make it ready for trading. Today's customer expects an attractive shopping environment. If you are forced into a marginal location because of lack of funds, it is important to recognise the necessity and cost of an on-going promotional campaign to let people know where you are.

*The questions overleaf will assist you in deciding on your choice of retail outlet.*

**CHOOSING A RETAIL OUTLET**

	<b>Yes</b>	<b>No</b>
Does the unit have relevant planning permission?	<input type="checkbox"/>	<input type="checkbox"/>
If you have to apply for a change of use/planning permission	<input type="checkbox"/>	<input type="checkbox"/>
- how long will it take?	<u>          months</u>	
- will the application succeed?	<input type="checkbox"/>	<input type="checkbox"/>
Does the unit meet your budget requirements?	<input type="checkbox"/>	<input type="checkbox"/>
Are there repairs, improvements and modifications to be budgeted for?	<input type="checkbox"/>	<input type="checkbox"/>
Is the unit easily accessible to your potential customers?	<input type="checkbox"/>	<input type="checkbox"/>
Is this section of the street or shopping centre consistent with the image you would like to maintain?	<input type="checkbox"/>	<input type="checkbox"/>
Have neighbouring businesses been affected by vandalism or burglary?	<input type="checkbox"/>	<input type="checkbox"/>
Can suppliers make deliveries conveniently to this location?	<input type="checkbox"/>	<input type="checkbox"/>
Are neighbouring businesses likely to attract customers who will also patronise your business?	<input type="checkbox"/>	<input type="checkbox"/>
Are there any competitors located close to the unit?	<input type="checkbox"/>	<input type="checkbox"/>
- If so can you compete with them successfully?	<input type="checkbox"/>	<input type="checkbox"/>

**Services**

If you are planning to offer a service, you may:-

- opt for a self-contained office;
- operate from a serviced office;
- Set up at home.

**Self-contained office**

A self-contained office is one where you rent or lease the office and equip it as necessary. This will work out the more expensive of the three options as you will possibly need secretarial support for telephone answering etc. If you do decide to start out this way, you should consider the following:

- the length of lease sought by the landlord;
- the possibility that you may have to personally guarantee the lease;
- charges for rates and other services including lighting, heating or cleaning of common areas.

### **Serviced office**

Offices which provide centralised secretarial support, telephone answering and meeting rooms are known as serviced offices. The growth of the serviced office sector throughout the country indicates their attraction for those at the start-up phase of business. Although a premium price is paid for the space, the back-up and support are valuable at start-up.

Another benefit of this system is the availability of short-term leases, in some cases on a month-by-month basis.

### **Working from home**

The increasing number of people establishing their business from home proves that it can work. Of the three options it is probably the cheapest. If you decide on this option check with your local authority to make sure there is no reason for them to object.

An important issue to be resolved before starting up at home is the support of your family and the requirement for their assistance or involvement. Constant telephone calls and the loss of a room or garage to the business will affect family life. Ensure that you can make the following arrangements.

- Isolate the work area clearly and draw a clear distinction between workspace and home space.
- Ensure the work area can accommodate your start-up requirements - phone, answering machine, fax, computer, printer, desk, shelving, filing cabinet.
- The manner in which your telephone calls are answered is very important. It is best to have a separate line and number for your business which is linked to the answering machine. This will avoid the possibility of your five year old treating your most valued customer with complete indifference when the call interrupts a favourite TV programme.
- Advances in telecom technology and services have enabled people to work from home with greater efficiency and provide a better service to their customers. All telecom providers are offering commercial packages advantageous to the home-based worker. These involve a combination of landlines, mobile phones and high-speed Internet access. Give some thought to your communication needs based on the way you plan to run your business. If your business is going to involve significant travel you will need remote access to messages and emails as a priority. Clarify with an insurance broker the insurance implications of starting up at home. Working from home is becoming more and more popular and is forecast to grow rapidly in the future. Apart from the significant cost saving, commuting time is shortened dramatically!

## **Manufacturing**

Similar to services, the small manufacturing business can choose between:

- a self-contained industrial unit;
- a serviced unit in an enterprise centre;
- a space or unit adjacent to the house.

The choice will depend on the business sector and scale of the unit that is being established. The size of the unit, for example, will depend on the equipment and fixtures and fittings that need to be installed and also on storage space for stock. The accessibility of a manufacturing location and the existing infrastructure of the area are also factors to consider when choosing a manufacturing premises.

### **Self-contained industrial unit**

There is an extensive range of industrial units throughout the country owned by private developers or government agencies. The size of units in industrial estates tends to be in excess of 2,000 square feet although smaller premises are sometimes provided. At start-up it is better not to commit yourself to a long-term lease as your requirements could change considerably after your first year of operation. Likewise, you should not take a unit too large for your requirements as this could be too heavy an overhead for the business to carry.

### **Serviced unit in an enterprise centre**

An enterprise centre is a cluster of small units of different sizes similar to a serviced office in that it provides common facilities such as telephone answering, secretarial support and meeting rooms. Unit sizes can vary from 100 square feet for "incubator" businesses to 2000 square feet for established companies. Some enterprise centres are not approved for businesses concerned with food production.

### **A unit adjacent to the family home**

A large number of manufacturers start operations "at the back of the house." If you have a suitable site or buildings adjacent to your home then it often makes good commercial sense to start there. This can apply particularly to rural areas where there may be plenty of space around the family home. If you intend to start in this way make sure you consult the planning authority at an early stage.

## **Employing People**

The small company today must be a highly flexible, open entity. The owner manager's perspective on employees is now shaped by performance and delivery of work targets rather than by function or role. More and more companies have a mix of full-time staff and people to whom work is contracted out on an assignment or project basis. The emphasis is on reward for measured performance by staff and non-staff alike.

The culture, human relations and character of the business will be determined by you, the owner manager. Give some time to thinking about this before start-up. Map out the shape of the organisation you want.

The successful business of the future will be one that can work with and manage people.

Some of these people may be employed by you directly. Others may provide sub-contract services on a regular basis while more may be from networks or alliances formed for short or long term projects.

People are your most important resource but it is easy to lose sight of this in the daily rush to meet production commitments and deadlines. Too often the landing of a large order results in the hasty recruitment of a temporary helper who more often than not ends up staying in the company. He or she may indeed be the right person for the job but recruitment should be as systematic as any other feature of business management to ensure that you are matching people to needs.

In Chapter 7, Operational Issues, page 35, you will find a reference to employment legislation.

If you are recruiting people into direct employment, use the checklist overleaf.

### **Sub-contracting**

A sub-contracting revolution has taken place in recent years. Companies, large and small, are no longer trying to do everything in-house but are sub-contracting significant amounts of work to specialists. Think about whether this would suit your operation. It may appear to be an expensive option on first inspection but when overheads, management time and down time are taken into consideration sub-contracting is often cost effective. It may take you a while to find a good sub-contractor. Know what you require and set clear guidelines. Go on to build a good business relationship with key sub-contractors on whom you can rely.

<b>RECRUITING PEOPLE</b>		
	<b>Yes</b>	<b>No</b>
Can I afford to recruit?	<input type="checkbox"/>	<input type="checkbox"/>
Where should I advertise taking into the account the sector and skills required?	<input type="checkbox"/>	<input type="checkbox"/>
Have I prepared a proper job description?	<input type="checkbox"/>	<input type="checkbox"/>
Have I a personal profile of the ideal candidate?	<input type="checkbox"/>	<input type="checkbox"/>
Do I have a choice of candidates?	<input type="checkbox"/>	<input type="checkbox"/>
Can I conduct a proper interview?	<input type="checkbox"/>	<input type="checkbox"/>
Have I prepared an induction programme for the person?	<input type="checkbox"/>	<input type="checkbox"/>
Have I thought through the specific training that will be required?	<input type="checkbox"/>	<input type="checkbox"/>
Have I considered how I will provide feedback to the employee and how I will appraise his/her performance?	<input type="checkbox"/>	<input type="checkbox"/>
Do I know enough about the legal issues affecting employment?	<input type="checkbox"/>	<input type="checkbox"/>
Have I thought about the implications of managing people?	<input type="checkbox"/>	<input type="checkbox"/>

## **Equipment sourcing**

Equipment sourcing is critically important, especially for the manufacturer. Buy only what you need to get started and beware the sales pitch that guarantees you "room for expansion" later. At start-up you may be tempted to purchase more sophisticated equipment than you need or can fund. When you are ordering equipment allow for delays in delivery and ensure that you schedule its installation to coincide with your production start-up. Equipment should be commissioned, serviced where appropriate and operational before you make final payment.

## **Raw Material sourcing**

The identification of, and negotiation with, suppliers is crucial to the establishment of the business. People in a start-up situation are often nervous about this step because of a lack of experience in sourcing suitable suppliers and negotiating with them. However, if you take the same planned systematic approach as you did with your opportunity and market research you will overcome this difficulty. By reference to the Golden Pages, the many specialist directories that are available and/or by attendance at trade fairs and exhibitions, you will be able to compile a list of potential suppliers from which you can make a shortlist of those most suitable for following up. If you need to import raw material the commercial sections of the embassies can assist you in identifying potential suppliers abroad.

## **Developing a Website**

If you think a Website would be good for your business, you'll want to know what your next steps should be and what exactly goes into making a good site. The development of a Website can be broken into four distinct phases:

### **1. Develop a Brief**

Discuss scope of project; analyse competitor sites; define objectives and goals.

The design should be attractive but the purpose of a Website is to get useful information to your customers as quickly as possible. Most often, the solution is "clean and simple". Consistency is another rule: each page of your site should be similar enough so that visitors know where to look to find important information such as headlines, links and, of course, your navigation. Decide on the site structure. Typically in many business Websites you'll find the following sections: Home, Products or Services, About, Contact, FAQ, Testimonials and Awards.

### **2. Get a Proposal**

A proposal should include complete pricing and timelines for all phases and details in a given project:

- Design & Production: costs for all sketches, graphic mock-ups, and final production of HTML. Timeline: 1-3 weeks. Typical costs: €800-€3000;
- Software: your site may or may not require custom software such as a searchable product database, password protected areas, a shopping cart and credit card processing, or animation programming. Timeline: 1-4 weeks. Typical costs: €1,000-€5000;
- Hosting: when your final Website files are ready, they'll need to be placed on a Web server which allows access to your site 24/7. Timeline: one day to set up, including 10Mb space, full FTP access, and unlimited email aliases. Fixed Cost: About €350 per year;
- Domain Name Registration: It takes only a few minutes to register a .com domain name but Network Solutions (the central registry) charge about €30 per year for ownership. To check if your .com domain name is available visit [www.checkdomain.com](http://www.checkdomain.com). The IEDR ([www.domainregistry.ie](http://www.domainregistry.ie)) is the registry for Irish .ie Internet domain names.
- Search Engine Registration is a critical element of any Web project. This is to ensure that visitors find your site. Timeline: one day to set up and register with 60+ engines, plus two rounds of re-registration at 45-day intervals. Cost: From €400.

### **3. Sketches and Feedback**

This is the part of the project where the "look and feel" of your Website is nailed down. It includes: gathering and editing of content; design consultations; sketches and mock-ups of site interface; feedback from client; amendments to design; approval from client.

### **4. Site Production**

When the design is agreed, the next step is the HTML "clickthru" version of site; feedback from client; changes or additions to site; approval from client; develop fully functional site (add software); final edits and corrections; full testing across browsers and platforms; approval from client; public launch; review goals achieved.

Keeping these four phases in mind, you'll be able to keep your Web project under control ... and your bank balance in the black.

The next step is to attend to the administrative and legislative aspects of starting a business.

## **CHAPTER 5 - TYPE OF BUSINESS**

There are a number of issues with legal and administrative implications for the running of a business. These issues are important but proper planning can minimise the demands on time which they generate. A tendency to overlook or rush them in the busy start-up phase can cause problems later.

### **How To Trade?**

Legally there are three main options when it comes to setting up in business:-

#### **Sole Trader**

A sole trader is a one-man or one-woman business run by the proprietor, usually in his/her own name and with his/her own money.

#### **Advantages**

- Easy to set up; no cost.
- Subject to minimal regulations.

#### **Disadvantages**

- The owner is personally responsible for all debts of the business.
- It may have certain disadvantages for tax purposes.

Many of the country's biggest businesses started out as sole traders or partnerships but, as they expanded, formed limited companies and some went on to become public limited companies. Although subject to the minimal amount of regulation (the business is an extension of yourself) this may not always be an advantage.

#### **Partnership**

Partnership is "where two or more people are involved, on an equal liability basis (jointly or severally) in running a business." Successful partnerships are those where the partners complement each other in experience and temperament. There can be any number of people in a partnership and there is no restriction on the amounts of capital subscribed by each partner. It is not necessary for all partners to work full-time in the business. Sleeping partners are those who do not take an active part in the business. Although there is no legal obligation, it is advisable to get a

## ***Start Your Own Business Guide***

solicitor to draw up a Partnership Agreement which can help to avoid friction or misunderstanding between partners. In the absence of any agreement the provisions of the Partnership Act apply.

A Partnership Agreement should deal with such things as:

- management of the partnership;
- remuneration of partners;
- division of profits;
- termination of the agreement.

### **Advantages**

- It is easy and cheap to start a partnership.
- There are greater resources available in terms of knowledge and experience than a sole trader will have.
- Continuity is safeguarded in the event of illness etc.
- There is limited outside regulation.

### **Disadvantages**

- There is unlimited liability which means that the partners may be personally liable for the debts of the business.
- Partners may turn out to be incompatible.

## **Limited Company**

The main feature which distinguishes a limited company from other forms of business is that it is regarded as a separate legal entity from the people who own and run it. It is treated as if it were a separate person. The two main types of company are:

- the public company;
- the private company.

Public companies are those with shares that can be bought and sold by the public on the Stock Exchange. Companies with shares that are not on sale to the public are called private limited companies.

Private companies may now be formed with one shareholder. This is known as a single member private limited company. Most private companies have at least two directors and a company secretary who may also be a director.

### **Formation of a Limited Company**

If a limited company is being formed expert advice should be sought from an accountant, solicitor or firm specialising in company formation. To form a limited company you must register with the Companies Registration Office. Full details on the steps to be taken together with associated costs may be obtained from [www.cro.ie](http://www.cro.ie). Some of the forms required will include:-

- Form A1 which is the application to register a company
- Memorandum of Association which sets out the type of business.
- Articles of Association which govern the internal running of the company, e.g. transfer of shares, meetings.

A solicitor or commissioner of oaths will be required to witness the form A1 and the services of a solicitor will be required to prepare the memorandum and articles of association. For a fee ranging from €500 a solicitor will provide the following:

- Verify that the proposed company name is available for incorporation purposes
- Prepare the Memorandum of Association
- Prepare the Articles of Association
- Prepare Form A1 and Declaration of Compliance
- Present Form A1, the Memorandum and Articles of Association and the registration fee to the Registrar of Companies.

The solicitor will probably add costs incurred of about €200 to the fee. This is to cover the official registration fee of €40 plus 0.5% capital duty on the value of shares issued if applicable, the Company Seal which is stamped on official company documents, share certificate book and statutory registers. (See useful contacts for Companies Registration Office details.)

### **Advantages**

- The owners are not personally responsible for the debts of the company except when they give personal guarantees or act fraudulently.
- It is a separate legal entity.
- There can be a tax advantage, e.g. only a limited company can qualify for 12.5% rate of Corporation Tax (a general 12½% rate for trading profits applies from 1 January 2003; however, existing projects subject to the 10% rate will retain entitlement to this rate until end-2005 in the case of the IFSC/ Shannon and until end-2010 in the case of manufacturing and certain internationally traded services).
- Losses can be carried forward and offset against profits in good years.
- In the eyes of outsiders a company may seem more substantial.
- Ownership is transferable.

### **Disadvantages**

- There are more formalities and more complicated accounts than in the case of a sole trader.

## ***Start Your Own Business Guide***

- A limited company is more expensive to set up.
- It is more closely regulated by law than either a sole trader or a partnership.
- There is a requirement to file annual returns and accounts to the Registrar of Companies. The cost of complying with these regulations can be significant, particularly if filed late.

Another option for setting up a business is to form a co-operative. Information on the steps to take can be obtained from the Registry of Friendly Societies or the Co-operative Development Unit in FÁS.

### **Responsibilities and Obligations of a Director**

All companies must have one company secretary and a minimum of two directors one of which must be an Irish resident. The secretary may be one of the directors.

- Every company, whether trading or not, must file an annual return each year at the Companies Registration Office (CRO) not later than 28 days from its statutory annual return date (ARD).
- In almost every case, annual accounts must be attached to that return.
- It is the responsibility of each director to ensure that his or her company complies with the Companies Acts. This includes the maintenance of statutory records.

For further information, see the CRO Information Leaflet No. 2, 'Six things that every company director should know about company registration', available at [www.cro.ie](http://www.cro.ie).

### **Office of the Director of Corporate Enforcement (ODCE)**

The Office of the Director of Corporate Enforcement (ODCE) was set up in October 2001 under the Company Law Enforcement Act 2001. Its mandate is to improve the compliance environment for corporate activity in the Irish economy by:

- encouraging adherence to the requirements of the Companies Acts and
- bringing to account those who disregard the law.

For further information, see Compliance Information on [www.odce.ie/services/compliance.asp](http://www.odce.ie/services/compliance.asp), and other guidelines available on the [www.odce.ie](http://www.odce.ie) website.

## CHAPTER 6 - SOURCES OF FINANCE

### Introduction

Cash is the lifeblood of any business and most businesses need some financial assistance to get started, grow and develop. Finance for business comes in three different forms – equity, grants and loan finance. Before approaching the bank, first establish what alternative sources of finance are available such as grants or tax incentives. Once you have organised either a grant and/or equity, you are more likely to be successful with an application to your bank.

As with securing funding from other sources getting bank finance is essentially a selling exercise – you need to sell the concept of your business idea to the bank. Your business plan is the main selling document they will look for. Banks will assess the level of risk associated with your proposal. They need to satisfy themselves that the potential rewards match the risk – ultimately, does your proposed business venture have the capacity to repay the debt. In assessing a business proposal a financial institution or private investor will be keen to establish the ratio between own funds, grant aid and borrowings, too much debt and your business could be considered too risky.

### What the Financial Institution will look for.

The financial institutions will pay particular attention to the following information in the business plan:-

1. Cashflow forecasts and ability to generate cash (and thereby service the loan in terms of interest and repayments)
2. Security available to secure anticipated bank debt i.e. amount of Net Assets on Balance Sheet, any buildings etc
3. Recurring profits and level of profit margins, spread of sales and customers
4. Ratios such as Debt: EBITDA (*earnings before interest taxation depreciation allowed*), Gearing (level of debt compared to level of equity) – calculated from Financial Accounts
5. Quality and experience of promoters/owners

### Shop Around

Just like it is advisable to shop around and get at least 3 quotations for equipment, insurance, building works etc. it is more so in the case of finance. Bank charges in respect of interest, cheque

handling, electronic banking and set-up fees vary from bank to bank. It is therefore advisable to submit your outline business plan for discussion to a number of financial institutions prior to entering into any commitments. The same advice should be heeded in relation to Accountants and Solicitors fees.

### Finance Options

There are a number of finance options depending on the length of time for which the finance is required. It is important that the needs of the business are matched to the most appropriate source available. It is also important to realise that there are costs associated with raising finance apart from interest and charges, such as legal and professional fees, stamp and capital duty. The following tables set out the sources to suit the timeframe that finance is required.

#### Working Capital Finance - Short Term

<b>Overdraft</b>	<ul style="list-style-type: none"><li>• With all features of a business current account</li><li>• A flexible source of short term working capital</li><li>• No fixed repayment schedule</li><li>• Variable interest rates</li></ul>
<b>Invoice Discounting</b>	<ul style="list-style-type: none"><li>• Confidential debt-financing facility</li><li>• Helps businesses overcome cashflow problems caused by overdue invoices, giving immediate access to up to 80% of invoiced debt.</li><li>• Repaid as debts are received</li></ul>

#### Capital Finance - Short to Medium Term

<b>Term Loans</b>	<ul style="list-style-type: none"><li>• Fixed or variable interest rates</li><li>• Monthly repayments over a period of one to seven years</li></ul>
<b>Bridging Finance</b>	<ul style="list-style-type: none"><li>• Finance to fund businesses awaiting grant cheques or drawdown of approved commercial mortgages or loan agreements.</li></ul>
<b>Finance &amp; Leasing Options</b>	<ul style="list-style-type: none"><li>• Finance to spread the cost of equipment, vehicles or other annual payments.</li><li>• Equipment or Transport finance - allow repayments against your taxable profits.</li><li>• Hire Purchase - for the use of asset purchase.</li><li>• Repayment over five years or life of the asset.</li></ul>

## **Capital Finance - Long Term**

<b>Commercial Mortgage</b>	<ul style="list-style-type: none"><li>• Long term finance for the purchase of a business premises, refinancing an existing property or the purchase of investment property.</li><li>• 3 types - straightforward repayment, commercial endowment or a pension mortgage.</li><li>• Repayment over 15 years</li></ul>
<b>Fixed Asset Loan</b>	<ul style="list-style-type: none"><li>• 10 year fixed term for fixed assets such as property, plant or machinery payable over the useful life of the asset.</li><li>• Option to postpone capital repayments for up to two years, where appropriate.</li></ul>
<b>Specialist</b>	<ul style="list-style-type: none"><li>• Banks will provide a range of specialist products &amp; services to fund expansion or merger/acquisition plans.</li></ul>

Where a project falls below standard bank lending criteria an application may be made to First Step which has a number of schemes available to support new business start ups - [www.first-step.ie](http://www.first-step.ie) (see useful contacts). It may also be possible to source finance from the Credit Union which in conjunction with the Department of Social and Family Affairs operates a loan guarantee scheme. The latter may also be in a position to approve eligible applicants for assistance under the Back to Work Allowance Scheme (5 years on live register or on a CE Scheme/Training Course).

## **CHAPTER 7 - OPERATIONAL ISSUES**

### **Administration**

#### **Registration of Business Name**

If you carry on a business under a name other than your own you are obliged to register that name with the Registry of Business Names at Companies Registration Office (see useful contacts).

To register a business name, submit one of the following forms, along with the €30 registration fee, to the CRO within one month of adopting the business name:

- Form RBN1: for an individual,
- Form RBN1A: for a partnership,
- Form RBN1B: for a body corporate

#### **Appointment of Auditors/Accountant**

If you are forming a limited company, you have a statutory obligation at present to appoint auditors. However, entitlement to audit exemption in the Republic of Ireland came into effect for the first time for accounting periods commencing on/after 21 February 2000. Newly incorporated companies may opt for exemption in the first accounting period provided they satisfy the following - a turnover threshold of €317,000, gross asset threshold of €1,905,000 and up to 50 employees.

If you intend to carry on a professional practice as an individual you are obliged to keep proper books and records. You must also submit accounts of your business to the Inspector of Taxes in support of the profit or loss shown in the return.

If you are a sole trader or in a partnership, you are not obliged to appoint auditors. However, you are strongly advised to retain the services of an accountant to advise on taxation and financial matters and prepare accounts for tax and management purposes.

#### **ROS – Revenue On-line Service**

ROS is an internet based system that enables revenue customers and their agents to conduct their business with Revenue electronically at any time. The system enables registered persons to file returns, make payments, obtain details of their revenue accounts and calculate their tax. Users can electronically register VAT and Annual Returns, Monthly P30's and Annual P-35 returns as

well as P-45's. In fact it is now possible to e-file all returns. For more information contact [www.ros.ie](http://www.ros.ie).

### **Taxation**

Taxation is the single biggest problem for many people running small businesses and needs to be properly managed. It is tempting at the busy, start-up stage to defer the matter of taxation to a later stage when you have more time to deal with it. This is not good practice and often leads to problems. You are strongly advised to organise your tax affairs efficiently at the outset.

### **Value Added Tax**

Value Added Tax (VAT) is an indirect tax on consumer expenditure. It is collected by VAT registered traders on their supplies of goods and services. Each such trader in the chain of supply, from manufacturer through to retailer, charges the VAT on his/ her sales and is entitled to deduct from this amount VAT paid on these purchases. The effect of offsetting purchases against sales is to impose the tax at each stage of production on the added value, hence Value Added Tax. The final consumer, being unregistered for VAT, absorbs VAT as part of the purchase price.

### **Who must register for VAT?**

You must register for VAT should your turnover in any continuous 12-month period exceed the relevant limits for the supply of goods or provision of a service. The limits are subject to change and you should contact your accountant or the Revenue Commissioners to ascertain the current limits. Failure to register does not inhibit collection of VAT from a taxable person whether the person has charged tax or not. It may result in the imposition of penalties.

### **VAT Rates**

The standard rate of VAT at the time of writing is 21%. It is important to clarify your position on what rate applies as there is also a zero rate, a 13.5% rate and activities that are VAT exempt.

### **Basis for accounting for Tax**

Value added tax may be accounted for on either a sales basis or a cash basis.

*Sales Basis:* this basis, also known as the invoice basis, is the normal manner of accounting for VAT. This means that a registered person becomes liable for VAT by reference to Registration form: the form to be completed is VAT 1. There are two different application forms, one for companies and the other for all other traders, partnerships etc. - invoices issued and sales made by them irrespective of whether payment has actually been received. You must account on the sales basis unless you are entitled to elect for the cash basis.

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*Cash Basis:* in this case VAT liability is determined by cash received as opposed to sales invoiced. The obvious advantage of the cash basis is that VAT need not be paid over to the Revenue Commissioners until it has been received from the customer, thus preserving cash flow. The following businesses can elect for the cash basis:

- (a) where not less than 90% of sales are to unregistered people (retailers, suppliers to schools etc);
- (b) trades with a turnover of less than €635,000.

### **Annual Returns**

Certain businesses may be authorised by the Collector General to submit an annual VAT return. To submit an annual return, the business owner must be registered for at least a year and have complied with his/her obligations regarding the submission of VAT returns during that time.

The official booklet, Guide to Value Added Tax, issued by the Revenue Commissioners, and the website [www.revenue.ie](http://www.revenue.ie), will answer most of the questions you may have about VAT issues that could affect your business.

### **Tax Revenue Forms/VAT Forms**

Form-filling is tedious and time consuming but it is a necessary part of all tax regimes. The following are the relevant forms in respect of VAT.

*Registration form:* the form to be completed is VAT 1. There are two different application forms, one for the companies and the other for all other traders, partnerships, etc.

VAT registration for companies will not be processed until the company has been issued with a number by the Companies Registration Office.

*Form VAT 3:* this is the return form on which you declare your VAT liability. It is normally completed every two months in January, March, May, July, September and November. VAT becomes payable on the 19th day of the month following the end of the previous two-month taxable period.

For example VAT for January and February is payable on or before 19 March and must be submitted accordingly along with VAT 3 form. If the tax is not paid by the due date, interest may be charged at the rate of 1.25% for each month. In addition, severe penalties may apply.

The current form only requires the assessments for total VAT on supplies and total VAT on purchases, thereby arriving at net VAT payable or repayable.

## **Self-Assessment**

The system of self-assessment places the onus on the taxpayer to meet his or her obligations correctly and on time without any prompting from the Revenue Commissioners.

A person is required:

- (a) to pay the preliminary tax and any balance of the final income tax liability on or before the due dates; and
- (b) to lodge a full and true tax return on or before the return filing date.

Self-assessment now applies also to Corporation Tax and Capital Gains Tax. See Revenue Leaflet IT 10 - A Guide to Self Assessment.

## **PAYE**

The Pay As You Earn (PAYE) system was introduced in 1960 as a means of collecting income tax under Schedule E. It applies to the majority of income types under this schedule including salaries, wages, pensions and bonuses. The PAYE year corresponds directly with the calendar tax year, i.e. it runs from 1 January to 31 December.

## **Registration**

Every employer paying remuneration over and above a certain limit is obliged to register with the Revenue Commissioners for PAYE purposes. The limits are so low that it could be stated that every employer must register for PAYE purposes.

Once the employer has been registered, he or she is obliged to carry out the following procedures.

- (a) Keep PAYE/PRSI records on either the official Revenue forms or on alternative approved systems.
- (b) Deduct tax and PRSI where applicable and record each amount.
- (c) Advise the Revenue Commissioners on part 1 of form P45 when an employee ceases employment and at the same time give parts 2, 3 and 4 of the P45 to the employee.
- (d) Advise the Revenue Commissioners when an employee commences or recommences employment (form P46).
- (e) Pay over the tax and both the employee's and employer's share of PRSI (where applicable) either monthly (P30) or annually to the Collector General.

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- (f) Submit end of year returns (P35, P35L) to the Collector General within the specified time limit.
- (g) Give to each employee who was in employment at 31 December a completed form P60.

It can be seen that the administrative costs are borne by the employer and not the Revenue under the PAYE system.

### **Corporation Tax**

With effect from 1 January 2003 there are currently 4 rates of Corporation Tax on company profits:-

- 10% - payable on manufacturing companies, IFSC operations and Shannon Airport Zone companies.
- 12.5% - standard rate, Schedule D, Bases I and II.
- 20% - Profits arising from certain residential land profits.
- 25% - passive, non-trading income, applicable to Schedule D, Bases III, IV and V.

### **Conditions of Employment and Labour Legislation**

A substantial amount of legislation has been enacted in recent years regarding terms of employment and both employers' and employees' rights. If you are employing people it is important that you acquaint yourself with the legislation. The Department of Enterprise, Trade and Employment has produced two excellent information booklets which will be of benefit to you. These are:-

#### **1. GUIDE TO LABOUR LAW; DEPARTMENT OF ENTERPRISE, TRADE & EMPLOYMENT 1995.**

The publication covers the following:

- contract of employment;
- terms of employment - wages, hours of work, holidays, minimum notice etc;
- safety, health and welfare at work;
- dismissal.

#### **2. TERMS OF EMPLOYMENT (INFORMATION) ACT 1994.**

The Act which came into law in 1994 requires you, as an employer, to provide an employee with a written statement of the terms of employment. The Department will enclose sample forms that can be used by you in preparing the statement.

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Since people are the life blood of your business, a good working relationship with your employees is vital. Satisfactory working conditions, a fair wage and respect for the employee's legal and trade union rights will ensure that you get off on the right footing.

### **Keeping Financial Records**

The type of business in which you are involved will determine the form of records suitable for you.

#### **Why keep Records?**

Accurate and efficient record-keeping is an essential key control in a business. The information provided by the system enables you to see if your business is profitable. It also facilitates decision making and the production of financial information necessary to back up any loan/grant applications you may wish to make. Keeping records will help you to:

- monitor performance;
- have up-to-date information highlighting problem areas as they occur;
- structure bank borrowings correctly;
- minimise bad debts;
- identify sales levels;
- produce VAT returns as required.

Records are the basic evidence of business transactions. These records include copies of sales invoices, supplier invoices, bank statements, cheque stubs and counterfoils of lodgements. In order to keep track of your records make sure to establish a good filing system. Decide on the type that best suits your needs and keep it as simple and straightforward as possible.

In any business there are purchases and sales of goods or services for cash or credit. Usually these types of transactions will be accompanied by invoices or statements of account. Payment will be cheque. Every business needs to be able to tell:

- (a) How much is owed to the business? This information gives you the total amount of debtors; and
- (b) How much the business owes and when you have to make payments in respect of purchases made? This information gives you the total amount of creditors.

#### **The Minimum Requirements**

In addition to record keeping, a bank current account should be opened which will be used solely for transactions connected with the business. The bank account is documented by the following means:

### **Lodgement book**

Retain lodgement counterfoils duly branded by the bank branch. All incoming cash and cheques relating to the company should be lodged in the bank account.

### **Cheque stubs**

Detail the date, purpose of payment, amount of the cheque and to whom payment is being made on the cheque stub before writing a cheque.

### **Bank statements**

File as they are received in date/number order.

### **Record books**

In addition to the above, keeping the following books will enable your accountant to prepare financial and profitability statements more easily.

- *Cash book*: used to record receipts and payments to the business.
- *Sales book*: used to record the sales of the business on both a cash and credit basis.
- *Purchases book*: used to record purchases made by the business on a cash or credit basis.
- *Wages/salaries book*: used to record payments of wages and salaries to employees.
- *Petty cash book*: used to record cash purchases of small, sundry items for the business.

## **Opening a Bank Account**

Sometimes people overlook the relatively simple task of opening a bank account and draw cheques for the business from their personal account. This should be avoided as it can lead to a great deal of confusion and unnecessary work at a later stage.

The following is the procedure for opening a bank current account.

### **Bank account for a limited company**

- Complete the resolution on the standard form supplied by the bank.
- All those entitled to sign cheques individually or jointly must sign their names on the specimen signature card provided by the bank.
- The bank will also require:
  - original Certificate of Incorporation/Certificate of Change of Name;
  - mandate to open and operate corporate accounts signed by a director of the company;
  - certified list of directors and secretary and the address of the registered office;

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- Memorandum and Articles of Association;
- copy of application for business name (if applicable);
- original Certificate of Registration of Business Name (if applicable).
- Proof of identity of the Company Directors, all those signing on the account and ultimate beneficial owners of the company with more than 25% of the issued share capital.

### **Bank account for sole trader or partnership**

- Complete the joint account or sole trader application form supplied by the bank.
- All those entitled to sign cheques must complete the specimen signature card which the bank provides.
- The bank will require a copy of the Certificate of Registration if a name other than the name/s of the promoter/s is being used.
- Proof of identity of all account holders and those signing on the account.

### **Insurance**

It is absolutely vital to provide for adequate insurance cover at start-up to avoid the possibility of financial exposure to accidents, fire or burglary. Obtain several quotations as there can be substantial cost variations.

Insurance cover is required in the following areas:-

- *Employer's Liability Insurance*: covers the employer against liability to an employee who is injured while in the company's employment;
- *Public Liability Insurance*: covers a company against a claim by a member of the public;
- *Motor Insurance*: relates to insurance which is required for motor cars and other 34 vehicles which are required to be registered under the Road Traffic Act;
- *Fire Insurance*: covers against losses to property, stock etc. caused by fire;
- *Product liability*: covers against claims for damage caused by your goods or services;
- *Key person insurance*: policy taken out by a company to insure the life of specific employees. A self-employed person can take out a protection plan which is similar in its benefits to key person insurance.

### **Health and Safety**

Whether you are a sole trader or form a company or partnership you are legally obliged to produce a health and safety statement concerning the workplace in which you operate. Owner managers of businesses with a fairly simple operational environment can usually write this statement themselves. However, in a company where machinery or chemicals for instance are involved in the production process, the statement should be prepared by an individual who has detailed

knowledge of the components and the processes concerned and who is also acquainted with health and safety procedures.

The Safety, Health and Welfare at Work Act 1989 (Act 7 1989) and the Safety, Health and Welfare at Work (General Application) Regulations 1993 (S1 44 1993) contain the legislation and can be obtained from the Government Publications Sales Office (see useful contacts).

The Health and Safety Authority ([www.hsa.ie](http://www.hsa.ie)), which enforces the legislation, has produced a guide to the acts which is available at a small cost.

Apart from its Dublin headquarters the Health and Safety Authority has seven regional offices with inspectors who can be contacted for advice on the issue of health and safety (see useful contacts).

### **Protecting Your Intellectual Property**

The best way to protect brand names, trade names, Internet domain names, logos and other distinctive features is by registering a **Trademark**. If you have not registered your Trademark it is possible for a competitor to use an identical or similar Mark which could significantly damage your position in the market and the value of your business not to mention lengthy and expensive litigation. There is a misconception that having a limited liability company name allows use of that name and also provides trade mark protection. The only way to obtain exclusive rights to, and protect, the name under which you wish to trade including your internet domain name is by way of trade mark registration.

Trademarks are registered on a country by country basis but there are some trademark registration systems which cover a number of countries. The Community Trade Mark (CTM) through a single registration procedure covers the entire European Union. A trademark does not have a life span and can be kept in force in perpetuity. It costs from €250 to register a trademark in Ireland. This does not include solicitor fees. It costs about €2,500 to register a CTM including solicitor fees. As a rule of thumb allow €2,000 per country for registration (outside the CTM).

A **patent** protects an invention (a new product, machine or manufacturing process) for a limited period of time, normally twenty years. The cost of obtaining a patent will depend on the complexity of the invention and the difficulties and time involved. Protection of **design** exists for the appearance of a product. By means of a single application process a design can be registered to provide protection in Ireland alone or throughout the EU for a period of 25 years. A **copyright** protects an original artistic or literary work for the lifetime of the author and, in most cases, 70 years after his/her demise. This is an international protection. There are no costs involved. It is

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advisable for the author of the work to attach ©, the year, and his/her name at the bottom of the work.

For comprehensive information on Trade Mark, Patent, Copyright and Design Registration visit the website of the Irish Patents Office at [www.patentsoffice.ie](http://www.patentsoffice.ie) (see useful contacts).

## CHAPTER 8 - FINANCE AND ACCOUNTING

A financial plan will assist you to verify your ideas about the business. A business person will have to constantly think money and place an emphasis on looking at the business in money terms.

At business start-up there are three basic statements you must understand in order to measure your financial position. In addition, it is vital to understand the concept of breakeven. The three statements are:

### 1. Balance Sheet

The balance sheet is a picture of the business at a point in time. It tells you where the money came from (share capital, loans or profit retained in the business) and where it went to (including fixed assets, stocks, debtors and cash). Formulating a personal balance sheet will help you to understand how a balance sheet works in business. Let us look, for example, at the financial position of John Brown on 10 May 2003:

As shown right, it is difficult to get a clear picture of John's assets or liabilities. A simple balance sheet (below) will assist us to present the position in a manner which is more meaningful.

House	€100,000
Mortgage	€65,000
Overdraft	€600
Car	€4,000
Credit cards	€800
Furniture	€10,000
Money owed to John	€1,000

Simple Balance Sheet			
Liabilities	€	Assets	€
Mortgage	65,000	House	100,000
Overdraft	600	Car	4,000
Credit Cards	<u>800</u>	Furniture	10,000
Total Liabilities	66,400	Money owed to John	<u>1,000</u>
John's Capital	<u>48,600</u>		<u>115,000</u>
<b>Total Capital</b>	<b>115,000</b>		<b>115,000</b>

Where did the €48,600 come from? When we set out John's assets and liabilities it was clear that he had a surplus of assets over liabilities. This is John's capital, made up of past savings in the form of a deposit for the house, a surplus on a day-to-day basis re-invested in furniture or the car. The balance sheet is a picture at a point in time. John's position could improve or disimprove one month later. When you start a business you should look at your own balance sheet. From your own personal example you can begin to build a balance sheet for the business using the terms with which you will have become familiar. Further such terms are as follows.

**Fixed assets**

These are the valuable resources owned by the business such as machinery, buildings, vans, trucks or desks.

**Current assets**

These are resources that have a short life and will be converted to cash within one year such as stock in a retail shop or debtors.

In John's personal example, his house is a fixed asset but the €1,000 owed to John is a current asset. Now prepare a simple opening balance sheet for your business using the following format:

<b>Liabilities</b>	<b>€</b>	<b>Assets</b>	<b>€</b>
Own Funds		Fixed Assets	
Borrowed		Working Capital	
	_____		_____
	_____		_____

**2. Profit and Loss Account**

The second financial statement to be included in your business plan is the profit and loss account. This statement assists in monitoring the day-to-day performance of the business and gives you the information needed to identify areas where corrective action should be taken.

**Preparing your Profit and Loss Account**

The following pointers will assist you to prepare a profit and loss account.

**Income**

The sales income is based on the sales made and invoiced within a given period. Although some of these sales may not be paid for three months, they must be accounted for.

**Accruals**

Income and expenditure must be matched to appropriate time periods. If, for example, you want to calculate profits on a monthly basis but electricity bills are received bi-monthly it is not correct to charge the two months' electricity against the (one) month when it is due. Equally bills for such items as insurance and audit will arrive once a year but you must put in a provision for them each month so that you can meet the liabilities when they become due.

**Gross Profit**

Gross profit is the difference between the sales income and the cost of goods sold. The gross

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profit is the measure of efficiency of the 'production' side of the business. The amount is what is left to cover all overheads such as rent, rates, depreciation, etc.

### Overheads

This is the general term given to all the operating expenses incurred in the running of the business. Overheads include administration, rent, rates, advertising, professional fees and depreciation.

### Net Profit

Net profit is the amount remaining after you have deducted the overheads from gross profit. This is the figure which will be subject to tax but available for re-investment as retained earnings or paid to shareholders as dividends.

	Budget €	Actual €
<b>A. Sales</b>		
<b>Direct Costs</b> Materials purchased Direct labour costs Stock charge (opening <i>minus</i> closing stock)		
<b>B. Cost of Goods Sold</b>		
<b>C. Gross Profit</b> ( $A - B = C$ )		
<b>D. Gross Profit as % of Sales</b> ( $C \text{ divided by } A \times 100 = D$ )		
<b>Overheads</b> Salaries & administration Sales & distribution Professional services Rent & rates Insurance Financial charges Depreciation		
<b>E. Total Overheads</b>		
<b>F. Net Profit before Tax</b> ( $C - E = F$ )		

The reader of your business plan will look carefully at the projected profit and loss account. It is also a critical tool to enable you monitor how you are doing on a regular basis. By preparing a profit and loss account every month and monitoring actual figures against those projected you will be in a position to take corrective action quickly if necessary.

### **3. Cash Flow Forecast**

A cash flow forecast is a best estimate of your expected receipts and payments throughout the period in question. The cash flow will assist you to set out what you can achieve within a given timeframe. Sometimes you may wish to grow your business faster but cash is necessary to enable you to trade at all. If cash planning is a weakness in your personal life take extra care in your business to avoid difficulty with what will probably be large amounts of money.

#### **Overtrading**

Cash planning is very important to ensure that you do not overtrade, particularly at the early stage. If you want to take on extra business, you must fund stock, debtors and other items at roughly the rate at which the business is growing. For instance, if, instead of the €50,000 sales forecast in your business plan, your sales reach €150,000, there will be considerable additional stock and debtors to fund as well as higher overheads to pay. However, if you agreed a €5,000 overdraft with your bank but now find that, due to serious overtrading, you cannot pay the bills this is a threat to your business. Your only option is to work your way out of this difficulty through a return to cash planning. It may be clear from your forecast that you are trying to grow too fast without adequate funding. Cash planning will help you to avoid overtrading and associated problems.

#### **Difference between cash and profit**

One businessperson put it thus: "Profit is an accounting concept but cash is reality". People who run successful companies place a great emphasis on cash flow. It is true that you can survive a month of losses but could you survive a month in business without cash? If you offer credit to your customers the real difference between profit and cash will become very clear. You may have made a healthy profit during the month on your invoiced sales but, although there are a number of cheques "in the post", you are under severe pressure because you are unable to pay the wages. Equally, if you are in a retail environment the value of your stock may reflect well in your balance sheet but if you cannot convert this stock into cash you could go out of business.

#### **Preparing your cash flow**

"I did one of those one time but it never worked out." This was a comment made by one businessperson disillusioned with the whole cash planning process. In your first year of business, cash planning will be difficult because you do not have solid figures from previous years to work from. Your bank manager will not expect you to predict your exact position three years ahead in your first year of operation. However, he or she would like to think you took the time to make a best estimate of your cash requirement for the first 12 months; that you have given some thought to the "what if" possibilities that could arise such as: "what if we only do half this level of turnover?" or "what if the customers are slow to accept the product?" or indeed "if the product or service takes

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off what are the parameters within which we can operate?" The quality of the cash flow will be determined by the time and effort that go into its assumptions.

There are four stages in the preparation of a cash flow, as follows;

1. Estimate the amount and timing of expected receipts.
2. Estimate the amount and timing of anticipated payments.
3. Compare each month's total receipts and payments to determine the net cash inflow or outflow for the period.
4. Include the opening balance for each period with net cash inflow/outflow for that period to arrive at the projected closing balance. The closing balance in period one will be the opening balance in period two etc.

If you have never prepared a cashflow or are unsure about how to do so, work through the case study on page 53 and then use the blank sheets provided to prepare your own.

In summary, your business plan must provide a detailed picture of the financial position of the business. It is only possible here to give you a very simple introduction to assist you and get you started.

### Break-Even Analysis

The break-even level of sales is the level of sales required to generate sufficient gross profit to cover the overheads of the business and thereby break even. A common mistake made by small businesses is to use up too much start-up capital on fixed costs (costs that remain fixed irrespective of changes in turnover e.g. rent, rates or leasing payments, etc). There is a tendency to buy or lease more equipment than is necessary at that point. It should not be a question of what is desirable but of what is absolutely essential. The higher the fixed costs' plateau the longer it takes to reach break-even and hence profitability.

Many small companies with excellent production output run out of money just before they reach the break-even level and the accumulated losses of the early months put them out of business. Break-even analysis is an important tool for use in preparing a business plan and in the day-to-day running of the business. The formula for break-even is as follows:

<b>Total Fixed Costs</b>	
<b>Unit selling price - unit variable cost</b>	
<i>For example:</i>	
Fixed costs are	€30,000
Unit selling price	€8
Unit variable costs are	€3
$\frac{€30,000}{€8 - €3}$	= €6,000

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This business must produce and sell 6,000 units, otherwise it will be making a loss. If the variable cost per unit was increased to €4 then the break-even point would become:-

$$\frac{€30,000}{€8 - €4} = 7,500 \text{ units}$$

However, few businesses sell only one product so a more general equation may be more useful if your business sells hundreds of products, e.g. retail outlets.

To calculate your break-even point in such a business you must first establish your gross profit (refer to the profit and loss account). If you are not yet trading research on your competitors will give you some indication of the sort of margins you should aim for.

Assuming the gross profit can be reached and that the overheads do not change the break-even, turnover is:-

<b>Overheads</b>	<b>€15,000</b>
<b>Gross Profit Margin</b>	<b>20%</b>
<b>B/E is: <math>\frac{€15,000 \times 100}{20} = €75,000</math></b>	

Therefore a turnover of €75,000 is needed to cover all overheads provided the margin is maintained.

**Contact a qualified accountant if you require assistance to transfer the facts and figures of your business to a break-even formula or chart.**

<b>Set out the action you must take:</b>	
<b>(a)</b> _____	<b>(d)</b> _____
<b>(b)</b> _____	<b>(e)</b> _____
<b>(c)</b> _____	<b>(f)</b> _____

## **CHAPTER 7 - THE BUSINESS PLAN**

### **Why prepare a business plan?**

Business planning is fundamental to success in business. It is the key to getting things done and making things happen. Putting it down on paper is a first step to translating the ideas in your mind into concrete realities. The finished business plan becomes an operating tool that will help you to manage your business and work towards its success. A good, well organised business plan will tell you if your idea makes sense. It is also the first marketing aid that you will use to persuade interested third parties such as investors, banks and the State agencies of the potential viability of the business.

### **What will the plan do for you?**

1. It will act as a map for the business.
2. It will assist you with management control.
3. It will help you brief key employees.
4. It will help you secure financing.

### **Useful Tips**

Things to bear in mind when writing the plan are as follows:-

#### **Own the content**

By preparing the plan yourself you will "own the content" and identify problems that are likely to arise. This will allow consideration of how you will solve them. If you have a partner in the business it is a good idea for you to work through the plan together. This will give you an insight into how you will work together in the business.

#### **Ensure the plan fits you**

If the small business is an extension of the owner manager then the plan must capture your personal motivation and direction. There is no use preparing a plan that is in direct conflict with what you really want from business or life over the coming years. Not everything has to be committed to paper. It is more important that you have thought the issues through and that you and your family are comfortable with the direction, structure and pace of growth planned for the business.

### **Be realistic - err on the side of caution**

Be careful about producing figures or projections that are clearly at odds with the experience of others in the same business. If you present a case which shows a net profit of 10% of sales when the average in the industry is 4%-6% you will have to be able to show how you are going to achieve the difference. Remember the importance of realism. Over optimistic forecasts will put your investment at risk.

### **Be clear in your objectives**

If the plan is to provide you with a direction then your objectives and goals should be clearly stated, realistic and attainable. The objectives as set out in the plan must be clear to the reader. They are in effect a measure of your ability to deliver as a manager.

### **Nothing will go exactly as planned**

During the process of starting up and operating your business you will encounter various problems which cannot be foreseen. If you have a documented plan with identifiable goals, you will be able to see clearly the difference between what is actually happening against what you had planned would happen.

This gives you control over the situation and enables you to decide more clearly the corrective action needed to put yourself back on course.

### **Avoid padding**

Keep the document brief and to the point. If it is a simple business the plan should reflect this. If it is a complex business you may need to prepare a more elaborate, but equally realistic document.

### **Presentation**

The plan should be typed and bound with a table of contents. It should be written to communicate rather than to impress, easy and simple to follow, with accurate text and figures.

## **The Structure of the Business Plan**

A good business plan will contain the following sections:-

### **Executive Summary**

The executive summary is an overall view of your business and its potential. It is a very important part of the plan. Many readers of business plans tend to skim through sections which are not of particular interest to them and focus only on the areas in which they have specialist knowledge.

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They will, however, always read the executive summary. It is essential, therefore, that you present the essence of your plan in a few short paragraphs at the start so that, even if much of it goes unread, the thrust of what you intend to do, your objectives and the way you are going to achieve them will be clear to the reader. It is important to highlight the ways in which the plan meets the assessment criteria of the reader.

### **Background and Description of the Business**

In this section you should set out the rationale behind the business. If the plan is for an existing business this section will provide a brief synopsis of the business history to date. It is important to present the reader with a clear, unambiguous statement of what you propose to make or sell and why you perceive this product or service to be appropriate at this time.

### **Management and Organisational Structure**

In this section you should detail how your company will be organised and managed. Clearly link the people in the business to the objectives set out in the plan. If the business is going to be initially organised and run by you as a sole trader, state this and provide a brief resume which summarises your relevant experience and establishes your suitability for the business. If you are planning to set up a larger company with a management team you must provide much greater detail of the organisational structure of the company. This should include information about professional advisers and/or technical experts you have retained to help you overcome particular weaknesses and provide you with on-going advice and assistance as you develop the business.

### **Market Research and the Marketing Plan - is there a market for the product or service?**

You may have collected your information for this section in a variety of ways. It is possible that you have obtained advance purchase commitments from buyers. You could be a retailer who has based your market research on a study of traffic and pedestrian flows, activity patterns and competition. If you are a painter decorator you might have piloted the service for a number of months and now have a good basis for setting a realistic sales target. Whatever your business or method of researching it, you should now be in a position to answer the following questions.

- Demand - this includes both the need for your product or service and the extent of this need. Evidence of the need must be clearly shown. You should also indicate whether your product or service is a repeat item which will be purchased again and again by your customers or whether sales will be once-off. Indicate if the product or service is likely to be in demand over a long period of time or if it is a short lived fad.
- Target market - this is the market you intend to seek for your product or service. The larger your potential market the better but, more importantly, you need to know if it is growing, levelling out or declining.

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- Competition - Regardless of the product or service that you offer you will always have competition. Reaction by your competitors may alter some of the assumptions you have made in relation to price, service, promotion or advertising.

### **Product Range**

Detail the product range that will be introduced. It is important to highlight the **Unique Selling Points** of your product or service. It may be a totally unique product for instance; it could be a service which includes specialised knowledge; it could be very keen pricing.

### **Pricing Strategy**

Pricing has to be carefully considered because the price you select has an important effect on the image of the product or service you are offering. If you choose one price it positions your product for one market. At a lower price or a higher price the same product would be perceived entirely differently.

### **Channels of Distribution**

You must decide the geographic area in which you will market your product or service and whether it is better to sell directly yourself, go to retail outlets or use wholesalers. You can sometimes beat the competition or generate much more profit by using a unique distribution system.

### **How will the Product or Service be promoted?**

The promotion of your business is divided between advertising, personal selling and sales promotion.

- **Advertising:** Specify in the plan the papers, magazines, directories such as Golden Pages, radio or TV that you have identified as most appropriate for targeting your customers. The advertising message should be planned carefully and repeated consistently for optimum impact.
- **Personal Selling:** A personal selling strategy is particularly effective and necessary when a product must be explained in order that it is fully understood by the potential customer.
- **Sales Promotion:** Sales promotion includes such schemes as free samples, contests and introductory offers. It is very important to link promotion to your cash flow.

### **Sales Management**

- Who will conduct the selling for your business and are they professionally trained to sell?
- What selling methods will you employ, for example telephone selling, cold calling, following up leads from mailshots, advertising etc?

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- What sales volume and activity targets, such as calls per day etc, have you set for each salesperson or selling method?
- How long is the sales process - from the customer becoming aware of your product or service to making the buying decision, receiving the product or service and finally paying for it?
- What procedures do you have for handling customer complaints? Will you make the product yourself or buy in either ready to sell or as components for assembly?

### **Sales Forecasts**

You will need to prepare a sales forecast on which you can base monthly cash flows and budgets. While it is not always easy for a start-up company to accurately project sales you should use your market research to give as clear a picture as possible. The realism of the assumptions behind your sales forecasts is one of the most critical factors in the success or failure of the venture. Make sure you give sufficient time to this.

### **The Operations' Plan - how will you guarantee product/service quality?**

"Operations" is the general name given to all the activities required to implement strategy. Once you have decided what to sell, to whom and at what price you may still need to find someone to make your product, sell it and deliver it.

Do not confine this section of your plan to a list of the equipment you are proposing to purchase. Describe instead the type and function of the equipment you are buying so that the reader will have a clear image of your operational environment.

Describe the manufacturing process to be used and, if appropriate, explain how your principal competitors go about their manufacturing. Include the following information.

- A description of the equipment that will be required and its capabilities.
- A drawing of the layout of your production unit showing the path of materials and finished goods.
- Procedures for monitoring and controlling quality.
- Raw material sourcing - list your principal suppliers, the terms of trade and any possible vulnerability in this area.
- Employment - the proposed number of employees if any and the initial training to be provided.

### **The Financial Plan - is this business viable?**

- This section of the business plan will provide the reader with the following information: the total funding required to start the business and the sources of the funding;

## Start Your Own Business Guide

- a detailed set of cash flow forecasts for the business (see case study - page 50);
- a projected profit and loss account for the business;
- details on the costing and pricing of your product or service.

### Checklist

The following checklist will assist you to ensure that you have completed your plan:-

CHECKLIST		
	Yes	No
1. <b>Management</b> - have you clearly set out how your business will be managed?	<input type="checkbox"/>	<input type="checkbox"/>
2. <b>Market</b> - have you clearly demonstrated that there is a market for your product or service?	<input type="checkbox"/>	<input type="checkbox"/>
3. <b>Operations</b> - have you thought through the day to day operational issues necessary to make your business a success?	<input type="checkbox"/>	<input type="checkbox"/>
4. <b>Finance</b> - have you clearly demonstrated the financial viability of the business?	<input type="checkbox"/>	<input type="checkbox"/>

If you have incorporated the above, you have the basis of a good, workable plan which can be reviewed and modified as your business progresses. You also have an excellent basis on which to proceed and present your plan to the relevant government agencies and funding organisations.

**Starting out on your own will be one of the most challenging endeavours of your life. At times you will find it frustrating, lonely and stressful. However it is never boring. Running your own business offers a varied and diversified career opportunity. Companies are not started by supermen or superwomen. They are developed by ordinary people with a vision for the future. If you have such a vision and want to take more control of your career contact the Tipperary North County Enterprise Board Ltd., Connolly Street, Nenagh, Co. Tipperary. Tel: 067-33086, e-mail: info@tnceb.ie, website: www.tnceb.ie**

## CASE STUDY

### Cash Flow Forecast

Small Firm Ltd will commence operations in January 20XX. The following are the expected receipts and payments for the 12 months to December 20XX. Prepare a cash flow forecast from the information supplied. See also the cash flow forecast template page 61 and cash flow forecast sample page 62.

### Receipts

#### 1. SALES

Month	Cash Sales	Credit Sales		Total
		30 Days	60 Days	
January	-	7,000	3,000	10,000
February	500	10,000	2,000	12,500
March	500	18,000	-	18,500
April	1,000	15,000	5,000	21,000
May	1,000	10,000	10,000	21,000
June	1,000	12,000	18,000	31,000
July	2,000	11,000	19,000	32,000
August	2,000	13,000	15,000	30,000
September	2,000	12,000	20,000	34,000
October	3,000	10,000	15,000	28,000
November	3,000	20,000	10,000	33,000
December	3,000	15,000	20,000	38,000
<b>Total</b>	<b>19,000</b>	<b>153,000</b>	<b>137,000</b>	<b>309,000</b>

#### A. Cash Sales

In the case study, there are both cash sales and credit sales. If you are in the pub business, the chances are it will be on a cash basis. However, a number of retailers in rural areas operate on the basis of cash and credit. Look at how you are going to operate. In the example, you start with €500 in February. If yours is a cash only business, your sales and receipts will be the same for each month.

#### B. Credit Sales

By looking at schedule A 'Receipts from Debtors' (page 59), you will see how to complete the credit sales. Of the total €10,000 sold in January, €7,000 will come in cash in February. As this is a new start-up with no sales in the previous year, the only receipts are €7,000. In March, as you can see,

## **Start Your Own Business Guide**

€3,000 is received from the customers who took 60 days but €10,000 is also received from the customers who paid 30 days after the sale in February. This produces a total receipt of €13,000 in March. Now using this method, work your way along schedule A, arriving at the total receipts in each month. Having completed the totals, now insert them in the receipts in the cash flow.

### **2. TERM LOAN**

€40,000 to finance purchase of fixed assets, drawn down in full in May.

### **3. GRANTS**

Any grants received from government agencies are a receipt in a cash flow. However, many companies are too optimistic about receipts of grants. Allow sufficient time for the grants to be processed, as delays may occur where you fail to submit proper documentation. Carefully examine your letter of offer and ensure all conditions are met. In this case grants to be received are as follows:-

<b>Type</b>	<b>Amount</b>	<b>Received</b>
Research & Development	€2,000	January
Capital Expenditure/Employment	€30,000	August
Training	€10,000	October
Capital Expenditure/Employment	€10,500	December

### **4. SHARE CAPITAL**

- €30,000 paid up in January.

Any equity contributed by you or other people is a receipt in the cash flow. In a cash flow, it must be in cash. You may be contributing machinery etc. However, this will not be included here.

### **5. BRIDGING LOANS**

- €30,000 drawn down in May.
- €10,500 drawn down in September.

This company availed of bridging loans to fund the delay in grant payments in relation to machinery purchased.

## 6. VAT REFUND

- A net refund of €6,000 is due in November.

If you are in receipt of VAT refunds, these should also be treated as receipts.

## Payments

### 1. CASH PURCHASES

- January €6,000
- February €4,000

You may have to pay cash immediately for many of your purchases. Hence, in January and February this person has to pay in cash for some purchases.

### 2. CREDIT PURCHASES

Month	30 Days	60 Days	Total
January	12,000	3,000	15,000
February	1,000	5,000	6,000
March	5,000	5,000	10,000
April	4,000	8,000	12,000
May	6,000	6,000	12,000
June	9,000	8,000	17,000
July	11,000	9,000	20,000
August	6,000	6,000	12,000
September	9,000	6,000	15,000
October	7,000	8,000	15,000
November	8,000	11,000	19,000
December	9,000	14,000	23,000
<b>Total</b>	<b>87,000</b>	<b>89,000</b>	<b>176,000</b>

*Using Schedule B (page 60) in a manner similar to Schedule A, the total payments due in each month on the basis of different credit terms secured can be calculated. The purchases for €12,000 made in January with 30 days credit will be paid for in February. In March the purchases for €3,000 made in January with 60 days credit will be paid for along with the purchases for €1,000 made in February with 30 days credit. The total payment in March, therefore, will be €4,000.*

*In preparing your own cash flow, pay particular attention to the relationship between your debtor and creditor days. If you are waiting 60 days for debtors to pay while your creditors require payment in 30 days, you need more working capital to fund the business than a person will need where it is the reverse.*

### 3. WAGES/SALARIES

(Figures are net of all deductions)

- Director/Owner: €700 per month

Month	Manufacturing	Administration	Sales	Total
January	1,500	400	500	2,400
February	1,500	400	500	2,400
March	1,500	400	500	2,400
April	2,000	400	1,000	3,400
May	2,500	400	1,000	3,900
June	2,500	400	1,000	3,900
July	2,000	400	1,000	3,400
August	2,000	400	1,000	3,400
September	2,000	400	1,000	3,400
October	2,500	400	1,000	3,900
November	2,500	400	1,000	3,900
December	3,000	400	1,000	4,400
<b>Total</b>	<b>25,500</b>	<b>4,800</b>	<b>10,500</b>	<b>40,800</b>

*Simply add the €700 per month director's/owner's salary to the total column to get the total wages and salaries each month. The figures are net of deductions. The tax is accounted for in row 12.*

### 4. RENT/RATES/INSURANCE

- February: €2,000
- March: €400
- September: €600

### 5. LIGHT/HEAT/POWER

- Payable every second month

February	April	June	August	October	December
2,000	1,000	1,000	1,000	1,500	2,000

### 6. TELEPHONE/POSTAGE/STATIONERY

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
300	450	150	450	150	450	125	500	125	600	300	900

### 7. COMMISSIONS

- 1 % of all sales payable one month in arrears.

## **8. MOTOR/TRAVEL**

- January - March: €500 per month
- April - December: €1,000 per month

## **9. ADVERTISING**

- January - March: €400 per month
- April - September: €200 per month
- October - November: €400 per month
- December: €500

If you want to advertise, set out a budget in advance rather than reacting to people who phone you. Once-off advertisements do not yield the desired results.

## **10. LOAN REPAYMENTS**

- Term loan €1,500 per month commencing in June
- Bridging loans repaid on receipt of grant as follows:
  - August: €30,000
  - December: €10,500

## **11. FINANCIAL CHARGES**

- Leasing €1,500 per quarter in advance commencing in January.
- Bank interest:
  - August €900
  - September €500
  - December €400

## **12. PAYE / PRSI / NIC / VAT**

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1,000	2,000	1,100	2,500	1,000	3,000	1,300	3,000	1,300	1,300	1,500	3,500

Keeping your tax affairs in order is one of the most important disciplines in business. If you allow arrears to build up, you may find it impossible to work your way out of them.

## **13. CAPITAL EXPENDITURE**

Land & Buildings: €67,000 payable in May

Plant & Equipment: €31,000 payable in September

**14. OTHER PAYMENTS**

1. January:	Company Formation Costs	€500
2. May:	Legal Costs	€2,000
3. December:	Audit Fees	€1,500

## Sample Forecasts

### SCHEDULE A

Name of Company:

Period From:

Period To:

#### RECEIPTS FROM DEBTORS

PERIOD ENDING	PROJECTED CREDIT SALES (Total=€290,000)	FUNDS TO BE RECEIVED IN PERIODS											
		1	2	3	4	5	6	7	8	9	10	11	12
		JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
Outstanding from previous year		€	€	€	€	€	€	€	€	€	€	€	€
1 JAN	10,000		7,000	3,000									
2 FEB	12,000			10,000	2,000								
3 MAR	18,000				18,000								
4 APR	20,000					15,000	5,000						
5 MAY	20,000						10,000	10,000					
6 JUNE	30,000							12,000	18,000				
7 JULY	30,000								11,000	19,000			
8 AUG	28,000									13,000	15,000		
9 SEPT	32,000										12,000	20,000	
10 OCT	25,000											10,000	15,000
11 NOV	30,000												20,000
12 DEC	35,000												
RECEIPTS FROM DEBTORS (TO CASH FLOW FORECAST)		0	7,000	13,000	20,000	15,000	15,000	22,000	29,000	32,000	27,000	30,000	35,000

**Start Your Own Business Guide**

**SCHEDULE B**

Name of Company:

Period From:

Period To:

**PAYMENTS TO CREDITORS**

PERIOD ENDING	PROJECTED CREDIT PURCHASES (Total= €176,000)	FUNDS TO BE PAID IN PERIODS											
		1	2	3	4	5	6	7	8	9	10	11	12
		JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
Outstanding from previous year		€	€	€	€	€	€	€	€	€	€	€	€
1 JAN	15,000		12,000	3,000									
2 FEB	6,000			1,000	5,000								
3 MAR	10,000				5,000	5,000							
4 APR	12,000					4,000	8,000						
5 MAY	12,000						6,000	6,000					
6 JUNE	17,000							9,000	18,000				
7 JULY	20,000								11,000	9,000			
8 AUG	12,000									6,000	6,000		
9 SEPT	15,000										9,000	6,000	
10 OCT	15,000											7,000	8,000
11 NOV	19,000												8,000
12 DEC	23,000												
<b>PAYMENTS TO CREDITORS (TO CASH FLOW FORECAST)</b>		<b>0</b>	<b>12,000</b>	<b>4,000</b>	<b>10,000</b>	<b>9,000</b>	<b>14,000</b>	<b>15,000</b>	<b>19,000</b>	<b>15,000</b>	<b>15,000</b>	<b>13,000</b>	<b>16,000</b>

## Start Your Own Business Guide

### CASH FLOW FORECAST

 Name of Company: Small Firm Ltd

 Period From: Jan 20XX

 Period To: Dec 20XX

		1	2	3	4	5	6	7	8	9	10	11	12	Total
		JAN	FEB	MAR	APR	May	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	
Receipts	Month Ending: Schedule	€	€	€	€	€	€	€	€	€	€	€	€	€
Cash Sales			500	500	1,000	1,000	1,000	2,000	2,000	2,000	3,000	3,000	3,000	19,000
From Debtors	A		7,000	13,000	20,000	15,000	15,000	22,000	29,000	32,000	27,000	30,000	35,000	245,000
Term Loans						40,000								40,000
Grants		2,000							30,000		10,000		10,500	52,500
Share Capital		30,000												30,000
Other Sources: Bridging Loans						30,000				10,500				40,500
Vat Refund												6,000		6,000
														0
<b>A. Total Receipts</b>		<b>32,000</b>	<b>7,500</b>	<b>13,500</b>	<b>21,000</b>	<b>86,000</b>	<b>16,000</b>	<b>24,000</b>	<b>61,000</b>	<b>44,500</b>	<b>40,000</b>	<b>39,000</b>	<b>48,500</b>	<b>433,000</b>
<b>Payments</b>		€	€	€	€	€	€	€	€	€	€	€	€	€
Cash Purchases		6,000	4,000											10,000
To Creditors	B		12,000	4,000	10,000	9,000	14,000	15,000	19,000	15,000	15,000	13,000	16,000	142,000
Wages and Salaries (net)		3,100	3,100	3,100	4,100	4,600	4,600	4,100	4,100	4,100	4,600	4,600	5,100	49,200
Rent, rates and insurance			2,000	400						600				3,000
Light, heat and power			2,000		1,000		1,000		1,000		1,500		2,000	8,500
Telephone, post and stationery		300	450	150	450	150	450	125	500	125	600	300	900	4,500
Selling & distribution expenses			100	125	185	210	210	310	320	300	340	280	330	2,710
Motor Travel		500	500	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,500
Advertising		400	400	400	200	200	200	200	200	200	400	400	500	3,700
Loan Repayments							1,500	1,500	31,500	1,500	1,500	1,500	12,000	51,000
Financial charges/interest		1,500			1,500		1,500	900	500	1,500			400	7,800
PAYE, PRSI, NIC, VAT		1,000	2,000	1,100	2,500	1,000	3,000	1,300	3,000	1,300	1,300	1,500	3,500	22,500
Capital Expenditure						67,000				31,000				98,000
Other Payments		500				2,000							1,500	4,000
<b>B. Total Payments</b>		<b>13,300</b>	<b>26,550</b>	<b>9,775</b>	<b>20,935</b>	<b>85,160</b>	<b>25,960</b>	<b>25,035</b>	<b>61,520</b>	<b>55,625</b>	<b>27,740</b>	<b>22,580</b>	<b>48,230</b>	<b>417,410</b>
<b>C. Net Cash (A-B)</b>		<b>18,700</b>	<b>(19,050)</b>	<b>3,725</b>	<b>65</b>	<b>840</b>	<b>(9,960)</b>	<b>(1,035)</b>	<b>(520)</b>	<b>(11,125)</b>	<b>12,260</b>	<b>16,420</b>	<b>5,270</b>	<b>15,590</b>
<b>D. Opening Balance</b>		<b>0</b>	<b>18,700</b>	<b>(350)</b>	<b>3,375</b>	<b>3,440</b>	<b>4,280</b>	<b>(5,680)</b>	<b>(6,715)</b>	<b>(7,235)</b>	<b>(18,360)</b>	<b>6,100</b>	<b>10,320</b>	
<b>Closing Balance (C+D)</b>		<b>18,700</b>	<b>(350)</b>	<b>3,375</b>	<b>3,440</b>	<b>4,280</b>	<b>(5,680)</b>	<b>(6,715)</b>	<b>(7,235)</b>	<b>(18,360)</b>	<b>(6,100)</b>	<b>10,320</b>	<b>15,590</b>	<b>15,590</b>

## Start Your Own Business Guide

### CASH FLOW FORECAST - Sample

 Name of Company: Small Firm Ltd

 Period From: Jan 20XX

 Period To: Dec 20XX

		1	2	3	4	5	6	7	8	9	10	11	12	Total
		Month Ending:												
Receipts	Schedule	€	€	€	€	€	€	€	€	€	€	€	€	€
Cash Sales		Sales for which payment is received immediately												
From Debtors	A	Receipts in respect of credit sales												
Term Loans														
Grants		Central, local and government agencies												
Share Capital		Owner's investment in business												
Other Sources:		Sales of assets, director's loans, VAT refunds etc.												
<b>A. Total Receipts</b>														
Payments		€	€	€	€	€	€	€	€	€	€	€	€	€
Cash Purchases		Purchase of supplies for which payment is made immediately												
To Creditors	B	Payment for goods bought on credit												
Wages and Salaries (net)		Enter payment net or all deductions												
Rent, rates and insurance														
Light, heat and power														
Telephone, post and stationery														
Selling & distribution expenses		Commissions, entertainment expenses etc.												
Motor Travel														
Advertising														
Loan Repayments		Check loan conditions for repayment schedules												
Financial charges/interest		Bank interest, leasing/hire purchases charges etc.												
PAYE, PRSI, NIC , VAT														
Capital Expenditure		Payments for fixed assets – premises, plant & equipment, motor vehicles etc.												
Other Payments		Audit, legal fees, private health and pension systems												
<b>B. Total Payments</b>														
<b>C. Net Cash (A-B)</b>														
<b>D. Opening Balance</b>														
<b>Closing Balance (C+D)</b>		Closing balance in period 1 is opening balance in period 2 etc.												

**INSERTS**

Making Application to an Enterprise Board for Grant Aid

Financial Assistance (Capital & Employment Grants)

Feasibility Study Grant

Other Schemes

Soft Supports

## **Making Application to an Enterprise Board for Grant Aid**

New and existing small enterprises in the qualifying sectors of manufacturing and internationally traded services may benefit from a capital, employment or feasibility study grant from their local City or County Enterprise Board. Eligible enterprises include those employing fewer than 10 full time staff and there is no ceiling on the investment level. Capital grants can be made available towards the purchase of new machinery and equipment, the construction of new or the extension of existing workspace while employment grants may be offered towards self-employment or the recruitment of additional full time staff. Feasibility study grants apply where the promoter wishes to assess the viability of a new business venture, undertake a market survey, engage in product or prototype development or indeed buy in outside consultancy to assist in the evaluation of a new product or venture diversification.

Each Board has established local needs and prioritised its action area, identifying sectors which it is committed to developing between now and the end of 2006. This in fact is a unique feature of City and County Enterprise Boards where, within the confines of national policy, they have the flexibility to support local projects provided they are consistent with this Plan. Making application for grant aid has never been easier with most Boards offering detailed information on their website on the range of supports available together with the facility to apply on-line. On receipt of a grant application an "on-site" visit is arranged with the Promoter to discuss the business proposal in detail. Indeed the applicant has the opportunity in most cases to visit a walk in Business Information Centre staffed by a full time Business Development Officer who is only too happy to offer guidance in relation to completing application forms, registering for tax, registering your business name, incorporating your company as well as provide advice on financial and non-financial supports available from the Board and other agencies/organisations.

The needs of the applicant are generally identified at the outset and options from a calendar of soft supports or training measures is offered to address management or other deficiencies which may include financial planning, costing, marketing, design, intellectual property, e-Commerce etc. Group training workshops, one-to-one consultation or a combination of both is available to address the training/ information needs of the entrepreneur.

A simple application form is used by Boards to capture the information necessary to determine the eligibility of the project. The application form specifies the documentation required in support of the proposal such as a curriculum vitae, 3 quotations, forward orders, historic accounts (in the case of existing businesses), projected accounts (2 years – all applicants), certificate of incorporation (company only), photographs/product samples, schedule of investment (list of equipment, building construction/ modification costs, working capital etc). For a feasibility study a fee proposal from the consultant(s) selected will be required setting out the scope of the research/work to be undertaken

## ***Start Your Own Business Guide***

and associated costs. Details of preliminary/desk research undertaken prior to the date of application is also essential.

All applications are adjudicated on by an independent Evaluation Committee that advises the Board on the commercial viability, local relevance/consistency with the Board's Action Plan, national policy and other matters. The twin issues of deadweight and displacement will also be established at that stage. The recommendation of the Evaluation Committee is then put forward to the Board for its consideration and if approved a letter of offer/grant agreement issues to the applicant immediately after the Board meeting along with a full grant claim pack. All grantees have 1 month to accept the offer of assistance and generally up to 6 months in which to implement their business proposal. A 9-month time frame applies to employment grant beneficiaries. Assistance is offered to all grantees to help draw down approved grants which may extend to completing forms, making application for tax clearance certification, sourcing insurance etc. Where financial assistance is declined the Board's policy is make every effort to meet the needs of the applicant in terms of advice, information and training irrespective of sector. In some instances the Board refers projects to other agencies which may be in a position to offer financial support. If you are contemplating starting or expanding a small business why not make contact with your local City or County Enterprise Board.

**Financial Assistance**  
**(Capital, Employment & Feasibility Study Grants)**  
*Measure 1 - Selective Financial Intervention*

**Introduction**

Under this Measure the Board operates a scheme aimed at assisting, through standard grants and refundable aid – capital or employment – the establishment of small-scale economic projects with the central objective of facilitating the creation and maintenance of sustainable jobs and the development of economic infrastructure at local level. Additionally the Board will also seek to:

- Maximise the employment and value added potential of micro enterprises,
- Contribute to national competitiveness,
- Reduce dependence on traditional or declining economic sectors,
- Support greater participation of the unemployed and women in the promotion and development of enterprises,
- Provide employment opportunities in less developed and remote areas so as to achieve more enduring and value-added balanced regional development.

**Forms of Financial Assistance**

Under Measure 1 (Selective Financial Intervention) of the Micro-Enterprise Measure of the Regional Operational Programme 2000–2006 the types of financial assistance that a Board can offer are:

- Capital Grants
- Employment Grants
- Feasibility Grants

Certain limits and conditions apply to the issuing of the Capital, Feasibility and Employment Grants as outlined in the revised Programme Complements for both the BMW and the S&E regions with effect from 1 July, 2004. These limits are:

**Capital Grants**

- In the BMW region, a Capital Grant up to a maximum of 50% of eligible fixed assets or €75,000. Any portion of a grant which exceeds of 40% of eligible fixed assets must be in refundable form.
- In the S&E region (which includes North Tipperary) a Capital Grant up to a maximum of 50% of eligible fixed assets or €75,000. Any portion of a grant which exceeds of 35% of eligible fixed assets must be in refundable form.

It has been decided that the ceiling of €127,000 for investments (without Departmental approval) should not apply with effect from 1 January, 2004. However, Boards must exercise prudence to avoid deadweight costs where they are considering support for larger projects.

## **Employment Grants**

- In both the BMW region and the S&E region employments grants of €7,500 per job subject to a limit of 10 jobs may be made available to qualifying projects.
- Employment grants may be issued on a non-refundable or a refundable basis (in whole or in part).

## **Feasibility Study Grant**

- Projects in the BMW region may qualify for 60% of the cost of a feasibility study subject to a maximum of €6,350, while in North Tipperary, part of the S&E region, 50% of the cost of a feasibility study may be given subject to a maximum of €5,100.
- Feasibility grants are generally not given in refundable form.
- Feasibility study grants are currently available to help determine the commercial viability of proposed projects, products or services.

## **Project Selection**

The Tipperary North County Enterprise Board pursues a systematic appraisal of all project proposals. The initial application is assessed by the Evaluation Committee and a recommendation is made to the Board on the level and form of assistance having regard to a number of factors including the following key selection criteria:

- The quality of the project proposal and its local relevance and economic benefits
- The commercial viability of the enterprise and of the project proposal
- Availability of matching finance/current funding position of the enterprise and proposed sources of funding
- The cost effectiveness of the proposition
- The contribution of the proposal to the development of the enterprise in terms of internal capacity
- Potential for deadweight or displacement
- Impact on poverty, equality, rural development and the environment.

The following additional criteria for project selection and incentive levels has been laid down by the Department of Enterprise, Trade and Employment and confirmed in the S&E Regional Operational Programme and the National Development Plan 2000-2006 which stipulated that:

1. Priority must be given to manufacturing and internationally traded services, which over time can develop into strong export entities and graduate to the Enterprise Ireland portfolio.
2. Tourism projects aimed predominantly at overseas visitors.
3. Locally provided services promoted by the unemployed or those recently made redundant and also women re-entering the workforce – such projects must avoid deadweight and displacement and cannot represent more than 25% of the Board's annual approval capacity.

### **Incentive Levels Effective from July 1st 2004**

1. A Capital Grant up to a maximum of 50% of eligible fixed assets or €75,000. Any portion of a grant which exceeds of 35% of eligible fixed assets must be in refundable form.
2. Employment grants up to a maximum of €7,500 per employee for 10 employees but only in cases where it can be demonstrated clearly that labour shortages do not exist. Employment grants cannot represent more than 25% of the Boards annual approval capacity.
3. 50% of the cost of engaging in a feasibility study or preparing a business plan, subject to a maximum limit of €5,100 per project.
4. Any portion of Grant aid in excess of 35% must be in refundable form.

### **Refundable Aid**

The introduction of refundable aid from 1 July 2000 means that the Board is obliged to come up with a combined incentive package, including capital grants and refundable aid, which will meet the Department's new criteria as detailed above. The following guidelines have been adopted by the Tipperary North County Enterprise Board in relation to the offer of refundable aid:

1. Refundable Aid will only apply initially to capital grants for investment in site development and buildings works and also the purchase of machinery and equipment.
2. The maximum repayment period is set at 36 months.
3. In exceptional cases the 36 month term may be extended up to a maximum of 60 months particularly in the case of community projects.
4. Interest will be set initially at 0% for all projects and these limits will be reviewed on an annual basis with provision for an overall upper limit of 6%.
5. Recipients of refundable aid will be required to execute a Deed of Covenant and Promissory Note with the Board before payment of the refundable aid is discharged.
6. It has also been determined that all repayments received under the Refundable Aid Scheme will be used by the Board exclusively to fund further advances of refundable aid in the future.

### **How to apply for financial assistance?**

In order to apply for financial assistance, a completed application form is required together with a business plan (or feasibility proposal) and supporting documentation. Business plans must include financial projections (minimum two years cashflow, trading accounts and profit and loss). Historic financial statements will be required in the case of existing businesses. At least 3 quotations should be sourced and evidence of a grant of planning permission provided in the case of a construction project.

Intending applicants are advised to arrange a meeting with a member of the Board's staff in advance of submitting their application for guidance in completing the necessary forms etc.

## **Feasibility Study Grant (€5,100 maximum)**

Feasibility study grants are currently available from the Board for qualifying projects at a rate of 50% or €5,100, whichever is the lesser, to help determine the commercial viability of proposed projects, products or services. Eligible expenditure includes costs such as consultants fees for market research, prototype development, financial evaluation etc. A facility also exists to compensate Promoters for their own time at a rate of €10.00 per hour, for travel at a rate of 50 cent per mile and subsistence at a rate of €50.00 per day. Overseas travel is ineligible.

Projects in the BMW region may qualify for 60% of the cost of a feasibility study subject to a maximum of €6,350, while in North Tipperary, part of the S&E region, 50% of the cost of a feasibility study may be given subject to a maximum of €5,100. Feasibility grants are generally not given in refundable form.

### **Criteria for assistance:**

In order to avoid unnecessary difficulties in processing feasibility study grant claims and to avoid abuse of the scheme the following conditions/changes were approved by the Tipperary North County Enterprise Board in addition to those already in place pertaining to retrospection, no other source of support, tax affairs, vouched expenditure etc.:

1. Applicants must satisfy the Board that a reasonable level of desk or other research has been carried out in advance of any application for assistance which should indicate that a potential market exists for the product or service. Information gathered to date should be summarised and submitted with the application.
2. Eligible expenditure will generally be restricted to consultants fees genuinely incurred and vouched to the satisfaction of the Board. Such fees may include auditors/accountants, market research, prototype development or intellectual property consultancy services. Please submit fee proposals/quotations with your application.
3. In the case of own time, travel and subsistence, only expenditure wholly and necessarily incurred in the course of the study, and returned for tax purposes will be deemed eligible and shall be restricted to not more than 20% of the overall study costs. Such expenditure must be agreed and approved in advance.
4. The Grantee must submit a written report, acceptable to the Tipperary North County Enterprise Board, on completion of the study outlining the research carried out and the findings arising therefrom.

### **Payment of Grant**

- Payment is made on the basis of invoices and receipts submitted (net of VAT).
- Expenditure must be in accordance with the application as approved by the Board.
- A satisfactory Feasibility Study Report must be submitted to the Board prior to draw-down.

## ***Start Your Own Business Guide***

- Grants must be drawn down within six months of approval.
- Other special conditions imposed by the Board must be met prior to payment of the grant.

### **Note:**

1. Approval of a feasibility study grant does not indicate any prior commitment on the part of the Tipperary North County Enterprise Board to grant-aid capital investment, which may arise from the research/study carried out.
2. On completion of the study, the promoter is required to submit to the Board a report on the findings of the study and the report shall be treated as confidential and not revealed by the Board to any third party without the Grantee's written consent.

## Other Schemes

The County and City Enterprise Boards certify qualifying applicants for the following schemes:-

The **Business Expansion Scheme** (BES) which has been in operation since 1984 gives income tax relief to those who invest capital in qualifying Irish companies thus enhancing the ability of companies to attract outside investment. The tax relief is given for the year in which the investment is made.

The **Seed Capital Scheme** forms part of the BES. The Seed Capital Scheme which is operated by the Revenue Commissioners ([www.revenue.ie](http://www.revenue.ie)) provides for a refund of tax paid over a 5-year period, subject to certain limitations, to a person who invests in and takes up employment in a new company. The company must be involved in qualifying activities such as manufacturing, internationally traded services, certain tourist undertakings, research and development etc. The activity must be certified by a relevant agency confirming that it is a bone fide new venture and under the 1997 Finance Act the certification process was extended to include the County Enterprise Boards.

The scheme will be of particular interest to employees, unemployed or redundant persons, who have paid income tax over the previous five years, and are interested in setting up their own business or investing in a new company.

Both **BES** and **Seed Capital Schemes** are being extended to 31 December 2006 and the company investment limit is being increased from €750,000 to €1 million. This extension of the schemes to 31 December 2006 and the increase in the company limit, along with some additional changes in relation to the operation of the are subject to a Commencement Order being made in order to allow clarification of potential State aid issues raised by the European Commission.

The Business Expansion Scheme (BES) which has been in operation since 1984 gives income tax relief to those who invest capital in qualifying Irish companies thus enhancing the ability of companies to attract outside investment. The tax relief is given for the year in which the investment is made.

### **CLÁR Programme**

Eligible enterprises in the CLÁR district of North Tipperary may qualify for 100% grant assistance to install three phase electricity. Under the CLÁR programme an agreement has been reached with the ESB whereby CLÁR will 100% fund the customer contribution (subject to a maximum of €15,000 per customer) unless otherwise agreed with the ESB for the conversion from single phase to three phase electricity for small firms employing 10 or less. To qualify businesses must have already benefited from CEB/Leader support in the form of financial, training, advice, mentoring etc. Further information is available from the Rural Development Division, Department of Community, Rural and Gaeltacht Affairs, [www.pobail.ie](http://www.pobail.ie), (see useful contacts).

## **Soft Supports Entrepreneurial and Capability Development**

In addition to providing a wide range of business skills training courses, the Tipperary North County Enterprise Board has designed a series of initiatives and support measures intended to build entrepreneurial and management capability, to promote research and development, innovation and design at the micro-enterprise level, to inspire a positive understanding and utilisation of design by micro-enterprises, to increase the number of firms trading in export markets and to promote the adoption of e-Business practices with a view to increasing competitiveness, improving business image and access to new world wide markets. Some of the Board's support measures are detailed hereunder:-

### **Website Development Grants**

The Board is in a position to offer grant assistance to a limited number of qualifying enterprises in the county to establish a web presence and maximise web marketing opportunities. A grant of €1,000 or 50% of actual qualifying expenditure is available subject to an investment ceiling of €2,000. The scheme is restricted to firms employing fewer than 10 staff and that operate in the manufacturing, internationally traded services, non-farm tourism and crafts sectors. Grants are paid on the basis of expenditure incurred post the date of approval/confirmation by letter of offer and vouched to the satisfaction of the Tipperary North County Enterprise Board. Eligible expenditure will include design cost, digital imagery/photography, initial domain name registration and search engine optimisation. In the case of tourism enterprises, the applicant must satisfy the Board that the site has not been funded from other sources and provide evidence of registration with Bord Fáilte/Regional Tourism Organisation.

### **Exhibition Grants Scheme**

A limited budget is set aside annually to support micro-enterprises at trade fairs and other events. A maximum grant of €1,000 applies and is calculated based on 50% of actual expenditure incurred subject to an expenditure ceiling of €2,000. The grants scheme covers exhibition fees such as stand rental, graphics and participation in show catalogues. The Scheme limit will apply to each grantee on an annual basis (i.e. no applicant may receive more than €1,000 in a calendar year). The Trade Fairs/Exhibitions Support Scheme is confined to qualifying micro-enterprises and the approval of the Board must be obtained prior to the show/exhibition and expenditure incurred in advance of Board approval will be deemed ineligible.

### **Mentors/Temporary Business Advisors**

The Board has established a panel of Temporary Business Advisors and Mentors which may be drawn upon to assist local firms to address issues specifically in the areas of financial planning,

costing, taxation, production planning, business structures etc. Mentors may also be assigned to assist with intellectual property issues, marketing, sales, business planning etc. A nominal fee is payable by the participating firm towards the assignment cost.

### **Company Development Advisors**

The Board has retained a panel of specialist advisors which may be assignment to local firms to assist with areas needing attention such as product development, research and development, design, automation, exporting etc. The participating firm is generally held liable for 10% if the cost of such assignments.

### **Design Audit/Design Shannon**

Design Shannon is a regional network of users and supporters of design in the Shannon Region. It is a collaborative forum, which aims to promote the importance of high design standards in achieving competitive advantage. Its work is aimed at assisting product, industrial and graphic designers, in the region's small to medium sized enterprises, to work with companies directly and to increase the active use of design by industry in the Region.

The format of the Audit which is registered by Design Shannon has been restructured and now involves 6 on-site training/consultancy days plus a company debriefing session which is attended by the County Enterprise Board. The cost of the Audit is now €3,900 per firm. Design Shannon is responsible for matching the needs of businesses with specialist consultants drawn from their panel/the third level institutions in the region. Financial assistance is provided by the Tipperary North County Enterprise Board to qualifying firms to the value of €3,510 towards the cost of undertaking a Design Audit and the participating firm contributes 10% of the assignment cost.

### **e-Commerce Mentors**

e-Commerce Mentors are assigned to small businesses that require assistance with improved search engine optimisation, Internet capability development and the formulation of a web marketing strategies. Beneficiaries under the scheme are expected to pay a nominal fee towards each on-site coaching session.

### **Furniture Innovation and Technology Programme**

An initiative specifically for firms engaged in the manufacture or crafting of timber products. On-site technical consultancy/training provided by the Furniture Technology Centre, Letterfrack to assist firms in the areas of workshop layout, sprays and finishes, new technologies and processes, equipment selection, market opportunities etc. Participating firms will be expected to pay 10% of the costs.

### **Export Market Assessment Initiative**

New initiative involving dedicated one-to-one mentoring to assist small enterprises interested in expanding their market base to the UK or other European destinations. The programme will cover matching your product to the reality of overseas markets, selling overseas, overseas customers and the issues they present, distribution and logistics, export finance, insurance. The programme will be tailored to suit the needs of each firm following an initial assessment and intervention may take the form of on-site training or off-site desk research and will culminate in the formulation of an export marketing plan. Participating firms will be expected to contribute 10% of their assignment costs.

### **MicroTrade: All Ireland Enterprise Development Programme**

MicroTrade which was established to promote cross border trade and business co-operation specifically within the micro enterprise sector has been developed as a three-way partnership between InterTradeIreland, the City and County Enterprise Boards and Enterprise Northern Ireland. The programme initially has a two-year life span until June 2006. Companies in North Tipperary can link to the programme through Tipperary North County Enterprise Board who has already established contacts with support agencies in Northern Ireland. For more information visit [www.microtrade.org](http://www.microtrade.org).

### **PLATO**

In conjunction with CEB's in the South East the TNCEB is in a position to offer firms an opportunity to participate in PLATO. PLATO is a business support network for owner/managers of SME businesses, which have been in existence for more than 3 years and employ between 3 and 50 people. The objective of the support network is to create a forum, which will allow these owners/managers interact on a monthly basis with senior practising managers of larger companies. The Board will sponsor 10 firms annually who will each be expected to pay 10% of the costs involved.

### **Excellence Through People**

'Excellence Through People' is the National Standard for Human Resource Development. The Standard offers a model of best practice for the management of human resources particularly in the areas of training, development, participation, involvement and communications. Its purpose is to encourage organisations to strive for excellence and provide recognition for organisations that have achieved the high standards. The scheme designed by the Tipperary North County Enterprise Board to assist firms to achieve the Excellence Through People standard comprises of up to 7 on-site visits of a maximum of 4 hours duration each which will be completed over a period of 12 weeks at which time each participating company will be ready to submit their application to FÁS for accreditation. The Board pays 90% of the cost involved.

## **ISO9001:2000**

A 50% grant available towards eligible consultants fees, accreditation costs etc. (subject to a maximum grant of €1,500.)

## **Quickbooks Level II**

Computerised Management Accounting Training at Level II is offered to firms who previously participated in group training organised by the Tipperary North County Enterprise Board. Each on-site training session is of 3 hours duration and a nominal fee per session is payable.

## **[www.tipperarydirectory.ie](http://www.tipperarydirectory.ie)**

The Enterprise Board launched [www.tipperarydirectory.ie](http://www.tipperarydirectory.ie) in September 2003 to help 'make the connection' for Tipperary businesses. The site provides an on-line multi-sectoral directory of Tipperary businesses and listing is free of charge. The facility features a categorised directory of businesses including a short description (50 words) with contact details such as telephone, fax, web and e-mail address as well as a photograph which best depicts the enterprise in question. The Board has now added a Promotions section which will allow participating firms to promote or launch a new product or service for a 21 day period. The directory provides access to the world wide web for businesses which otherwise might not have a web presence and it improves search engine ratings for those already represented on the net. Firms interested in participating should log on to the site [www.tipperarydirectory.ie](http://www.tipperarydirectory.ie) and submit their details for immediate inclusion.

## **Women in Business Network**

The Tipperary North County Enterprise Board supports the activities of the Women in Business Network in the county. The Network was launched in September 2001 and now has a growing paid up membership. The overall aim of the Network is to introduce women to entrepreneurship and the fundamentals of starting their own enterprise and to provide a forum/support group for those already engaged in new or established business. The Tipperary North Women in Business Network offers the following:

- an opportunity to share business ideas and experiences
- access to new business skills and management techniques
- inclusion in promotional, exhibition and networking/social events
- membership of a business support group/referral network
- a web presence through the Tipperary North County Enterprise Board's business directory and later inclusion in their "virtual exhibition centre".

The Tipperary North Women in Business Network is run by an independent committee and meets on the first Tuesday of each month at a Nenagh hotel.

## **National Enterprise Awards**

The National Enterprise Awards is sponsored by the 35 City and County Enterprise Boards and each Board organises a competition at County level. The competition was introduced in 1997 by the City and County Enterprise Boards and is restricted to firms employing 10 or less staff. The Awards Scheme is supported by the National Development Plan and recognises the contribution of Ireland's leading small enterprises.

## **Schools Enterprise Initiatives**

The Tipperary North County Enterprise Board has a suite of supports available to promote enterprise awareness in the school system including:-

- Enterprise Encounter
- Schools Enterprise Awareness Programme with Tipperary Institute
- Student Enterprise Awards
- Bí Gnóthach

Three of the above initiatives are aimed specifically at post primary students while Bí Gnóthach was developed for the 35 County and City Enterprise Boards by Mary Immaculate College, Limerick.

## USEFUL CONTACTS

### Enterprise Support Agencies/Organisations

<b>Department of Enterprise, Trade and Employment</b> 23 Kildare Street, Dublin 2	Tel: 01 6312121 Lo-Call: 1890 220 222 Web: <a href="http://www.entemp.ie">www.entemp.ie</a>
<b>Enterprise Ireland,</b> Head Office, Enterprise Ireland, Glasnevin, Dublin 9	Tel: 01 808 2000 Web: <a href="http://www.enterprise-ireland.com">www.enterprise-ireland.com</a>
<b>Shannon Development Head Office,</b> Town Centre, Shannon, Co. Clare	Tel: 061 361555 Web: <a href="http://www.shannondev.ie">www.shannondev.ie</a>
<b>Shannon Development Regional Office,</b> Silverline Building, Connolly street, Nenagh, Co. Tipperary	Tel: 067 32100; Web: <a href="http://www.shannondev.ie">www.shannondev.ie</a>
<b>IDA Ireland,</b> Wilton Park House, Wilton Place, Dublin 2.	Tel: 01 603 4000 Web: <a href="http://www.ida.ie">www.ida.ie</a>
<b>County &amp; City Enterprise Boards</b> Contact details for the 35 Enterprise Boards	Web: <a href="http://www.enterpriseboards.ie">www.enterpriseboards.ie</a>
<b>Tipperary North County Enterprise Board Ltd.,</b> Connolly Street, Nenagh, Co. Tipperary.	Tel: 067 33086 Web: <a href="http://www.tnceb.ie">www.tnceb.ie</a> <a href="http://www.tipperarydirectory.ie">www.tipperarydirectory.ie</a>
<b>Tipperary Leader Group</b> The Bridewell, St. Michael St., Tipperary Town, Co. Tipperary	Tel: 062 33360 <a href="http://www.iol.ie/~tippleader/tippleader/index.htm">www.iol.ie/~tippleader/tippleader/index.htm</a>
<b>Area Development Managemant</b> Holbrook House, Holles Street, Dublin 2, <i>(A number of groups operate locally with financial support from ADM including:- The County Childcare Committee, Nenagh Community Network, Roscrea 2000, BAND)</i>	Tel: 01 2400700 Web: <a href="http://www.adm.ie">www.adm.ie</a>
<b>An Bord Bia,</b> Dublin Head Office, Clanwilliam Court, Lower Mount Street, Dublin 2,	Tel: 01 668-5155 Web: <a href="http://www.bordbia.ie">www.bordbia.ie</a>
<b>Irish Patents Office</b> Patents Information Centre, Ground Floor, The Earlsfort Centre, Lower Hatch Street, Dublin 2.	Tel: 01 6312603, Lo-Call: 1890-220222 Web: <a href="http://www.patentsoffice.ie">www.patentsoffice.ie</a>
<b>Dept. of Social &amp; Family Affairs,</b> Aras Mhic Dhiarmada, Store St., Dublin 1	Tel: 01 7043000 Web: <a href="http://www.welfare.ie">www.welfare.ie</a>

### Business Organisations

<b>ISME</b> 17 Kildare Street, Dublin 2	Tel: 01 6622755 Web: <a href="http://www.isme.ie">www.isme.ie</a>
<b>IBEC,</b> Gardner House, Bank Place, Charlotte Quay, Limerick	Tel: 061 410411 Web: <a href="http://www.ibec.ie">www.ibec.ie</a>
<b>Small Firms Association</b> 84-86 Lr Baggot St., Dublin 2	Tel: 01 605 1500 Web: <a href="http://www.sfa.ie">www.sfa.ie</a>

<b>Chambers of Commerce of Ireland</b> 17 Merrion Square, Dublin 2	Tel: 01 6612888 Web: <a href="http://www.chambers.ie">www.chambers.ie</a>
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## Training & Development

<b>Tipperary North County Enterprise Board Ltd.,</b> Connolly Street, Nenagh, Co. Tipperary.	Tel: 067 33086 Fax: 067 33605 Web: <a href="http://www.tnceb.ie">www.tnceb.ie</a> <a href="http://www.tipperarydirectory.ie">www.tipperarydirectory.ie</a>
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<b>FÁS</b> 79 Connolly St., Nenagh, Co. Tipperary	Tel: 067 31879 Web <a href="http://www.fas.ie">www.fas.ie</a>
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<b>IMI</b> Sandyford Road, Dublin 16	Tel: 01 2078400 Web <a href="http://www.imi.ie">www.imi.ie</a>
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<b>Failte Ireland</b> Baggot Street Bridge, Dublin 2	Tel: 01 6024000 Web: <a href="http://www.failteireland.ie">www.failteireland.ie</a>
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<b>Marketing Centre for Small Business</b> Schuman Building, University of Limerick, Limerick	Tel: 061 202986 Web: <a href="http://www.marketingcentre.ul">www.marketingcentre.ul</a> .
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<b>TEAGASC</b> Head Office, Teagasc, Oak Park, Carlow	Tel: 059 9170200 Web: <a href="http://www.teagasc.ie">www.teagasc.ie</a>
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<b>National Food Centre duns</b> Teagasc, The National Food Centre, Ashtown, Dublin 15.	Tel: 01 8059500 Web: <a href="http://www.teagasc.ie/nfc">www.teagasc.ie/nfc</a>
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## Compliance

<b>Companies Registration Office</b> Parnell House, 14 Parnell Square, Dublin 1	Tel: 01 8045200 Web: <a href="http://www.cro.ie">www.cro.ie</a>
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<b>Revenue Commissioners</b> Government Offices, Stradavoher, Thurles, Co. Tipperary	Tel: 0504 28700 Web: <a href="http://www.revenue.ie">www.revenue.ie</a>
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<b>Mid-Western Health Board</b> Kenyon St., Nenagh, Nenagh, Co. Tipperary	Tel: 067 31212 Web: <a href="http://www.mwhb.ie">www.mwhb.ie</a>
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<b>North Tipperary County Council</b> Planning /Environment Departments Civic Offices, Limerick Road, Nenagh, Co. Tipperary	Tel: 067 44500 Web: <a href="http://www.northtippcoco.ie">www.northtippcoco.ie</a>
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<b>Department of Agriculture &amp; Food</b> Government Offices, St. Conlons Road, Nenagh, Co. Tipperary	Tel: 067 50014 Web: <a href="http://www.agriculture.gov.ie">www.agriculture.gov.ie</a>
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<b>NSAI,</b> Glasnevin, Dublin 9,	Tel: 01 8073800 Web: <a href="http://www.nsai.ie">www.nsai.ie</a>
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<b>Health and Safety Authority</b> 10 Hogan Place, Dublin 2	Tel: 01 6147000 Web: <a href="http://www.hsa.ie">www.hsa.ie</a>
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<b>Food Safety Authority of Ireland</b> Abbey Court, Lower Abbey Street, Dublin 1	Tel: 01 817 1300 Web: <a href="http://www.fsai.ie">www.fsai.ie</a>
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## Alternative Finance

<b>First Step</b> Jefferson House, Eglinton Road, Donnybrook, Dublin 4.	Tel: 01 2600988 Web: <a href="http://www.first-step.ie">www.first-step.ie</a>
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**Irish Venture Capital Association**  
3 Rectory Slopes, Bray, Co. Wicklow

Tel: 01 2764647  
Web: [www.ivca.ie](http://www.ivca.ie)

## Community

**NCN – Nenagh Community Network,**  
84 Silver Street, Nenagh, Co. Tipperary.

Tel: 067 34900  
email: [ncn@eircom.net](mailto:ncn@eircom.net)

**Roscrea 2000 Ltd**  
New Line, Roscrea Co Tipperary

Tel: 0505 23379  
email: [ros2000@eircom.net](mailto:ros2000@eircom.net)

**BAND Borrisokane Area Network Development**  
Main Street, Borrisokane, Co Tipperary

Tel: 067 27074  
email: [bandborrisokane@eircom.net](mailto:bandborrisokane@eircom.net)

**North Tipperary County Childcare Committee**  
Civic Offices, Limerick Road, Nenagh,

Tel: 067 44888  
Web: [www.northtipperarychildcare.ie](http://www.northtipperarychildcare.ie)

## InterTrade/Cross Border Initiatives

**Microtrade**  
Nutgrove Enterprise Park, Nutgrove Way, Rathfarnham,  
Dublin 14

Tel: 01 4948414  
Web: [www.microtrade.org](http://www.microtrade.org)

**Fusion**  
Helix Innovation Partnerships Ltd, Unit 2, The Old Gasworks  
Business Park, Kilmorey Street, Newry, Co. Down

Tel: 048 30 260700  
Web: [www.intertradeireland.com](http://www.intertradeireland.com)

**Acumen Programme Ltd.**  
Unit B10, Omagh Business Complex, Gortrush Industrial  
Estate, Derry Road, Omagh, Co. Tyrone

Tel: 048 82 250404  
Web: [www.acumenprogramme.com](http://www.acumenprogramme.com)

**Co-Operation Ireland**  
Glendinning House, 6 Murray St, Belfast

Tel: 048 90 321462  
Web: [www.cooperationireland.org](http://www.cooperationireland.org)

**Focus**  
C/o Brilliant Red Consulting, 21 College Street, Armagh,  
BT61 9BT

Tel: 048 37 511110  
Web: [www.intertradeireland.com](http://www.intertradeireland.com)

**Irish Exporters Association**  
28 Merrion Square, Dublin 2

Tel: 01 6612182  
Web: [www.irishexporters.ie](http://www.irishexporters.ie)

**Enterprise Ireland,**  
Head Office, Enterprise Ireland, Glasnevin, Dublin 9

Tel: 01 808 2000  
Web: [www.enterprise-ireland.com](http://www.enterprise-ireland.com)

## Tourism

**Fáilte Ireland**  
Baggot Street Bridge, Dublin 2

Tel: 1890 525525 or  
01 6024000  
Web: [www.failteireland.ie](http://www.failteireland.ie) (corporate)  
[www.ireland.ie](http://www.ireland.ie) (consumer)

**Shannon Development Head Office,**  
Town Centre, Shannon, Co. Clare

Tel: 061 361555  
Web: [www.shannondev.ie](http://www.shannondev.ie)

**Tipperary Leader Group**  
The Bridewell, St. Michael St., Tipperary Town, Co. Tipperary

Tel: 062 33360  
Web: [www.iol.ie/~tippleader/](http://www.iol.ie/~tippleader/)

**Tipperary North County Enterprise Board Ltd.,**  
Connolly Street, Nenagh, Co. Tipperary.  
**(Training & Website Development & free listing on**  
**[www.tipperarydirectory.ie](http://www.tipperarydirectory.ie))**

Tel: 067 33086  
Fax: 067 33605  
Web: [www.tnceb.ie](http://www.tnceb.ie)  
[www.tipperarydirectory.ie](http://www.tipperarydirectory.ie)

## Other

**Government Publications Sales Office**  
Sun Alliance House, Molesworth Street, Dublin 2

Tel: 01 6476879

**Rural Development Division 1, Department of  
Community, Rural and Gaeltacht Affairs**  
Dún Aimhirgin, 43-49 Mespil Road, Dublin 4

Tel: 01 6473191

**Irish Film Board/Bord Scannán na hÉireann**  
Rockfort House, St Augustine Street, Galway

Tel: 091 561398  
Web: [www.filmboard.ie](http://www.filmboard.ie)

**The Heritage Council**  
Rothe House, Kilkenny

Tel: 056 777 0777  
Web: [www.heritagecouncil.ie](http://www.heritagecouncil.ie)

**The Michael Smurfit Graduate School of Business,**  
University College Dublin, Carysfort Avenue, Blackrock, Co  
Dublin

Tel: 01 7168862  
Web: [www.ucdbusiness.ucd.ie](http://www.ucdbusiness.ucd.ie)

**Third Level Institutions**  
**See link to site containing details of all colleges etc.**

[www.educationireland.ie/httpdocs/html/teritary/tintro.html](http://www.educationireland.ie/httpdocs/html/teritary/tintro.html)