

# Setting up your own Practice

## Members in Practice Morning

### Crowne Plaza Nottingham

#### 11 October 2014

John A W Lawrenson MloEE  
Business Consultant  
SFEDI Accredited

AAT is a registered charity. No. 1050724

The logo for the Association of Accountants and Tax Technicians (AAT), consisting of the lowercase letters 'aat' in a bold, sans-serif font.

# Setting up your own Practice

## Agenda

- Support for Start Up Businesses
- Step by Step to Start Up –
  - Pre-start checks & exercise
  - Writing a Business Plan
  - Business Plan exercise
  - A bit of admin'
  - Sourcing finance – see separate handout pack
  - Marketing, Networking and Winning New Clients
  - The Pathway to Success
- Questions and Answers

# Setting up your own Practice

## Support for Start Up Businesses

- Business Link
  - This service is only available via a telephone helpline:-
  - 0845 600 9006
  - Its aim is to provide a quick response service to people with simple questions about starting or running a business. It also provides a more in-depth service for those with more complex enquiries
  - Business Link's excellent website is no longer but support for Start Up and existing businesses can be accessed online via the gov.uk site and now includes a finance and support finder section:-
  - [www.gov.uk/starting-up-a-business](http://www.gov.uk/starting-up-a-business)



# Setting up your own Practice Step by Step to Start Up

## Pre-Start Up checks

The day to day reality check

The entrepreneurial quality check

The business skills check

The market research check

The financial commitment check

The day to day reality check—what does it mean to YOU?



# Setting up your own Practice Step by Step to Start Up

Are you ready to Start Up?

The day to day reality check

Personal Sacrifice

Financial Insecurity

Loss of 'cards in' or company perks

Pressure on Close Relationships

Isolation



# Setting up your own Practice Step by Step to Start Up

Are you ready to Start Up?

The entrepreneurial quality check

Self-confidence

Self-determination

Being a Self-Starter

Judgement

Commitment; Perseverance & Initiative



# Setting up your own Practice Step by Step to Start Up

Are you ready to Start Up?

## The business skills check

Financial management

Product / Service development

People management

Business planning

Marketing & Sales skills



# Setting up your own Practice Step by Step to Start Up

Are you ready to Start Up?

The market research check

How long IS that piece of string???!!!!





# Setting up your own Practice Step by Step to Start Up

Are you ready to Start Up?

The financial commitment check

How big IS your wallet (or your Bank Manager's / Fairy Godmother's)?

# Setting up your own Practice Step by Step to Start Up

Are you ready to Start Up? – Are **You?**

The day to day reality check

Personal Sacrifice

Loss of 'cards in' or company perks

Pressure on Close Relationships

Isolation

(I'll leave you all to consider the Financial Insecurity check in private)



# Setting up your own Practice Step by Step to Start Up

Are you ready to Start Up?

Write a Business Plan

When you are satisfied with it.....

Write it again!!!

# Setting up your own Practice

## Step by Step to Start Up

### Writing a Business Plan

An Executive Summary or Overview of what your business is about

Why, what, to whom and when

Sales & Marketing Strategy

The Team

Operations & Admin – Where and how

Financials and funding requirements

Appendices

# Setting up your own Practice Step by Step to Start Up

## Writing a Business Plan

An Executive Summary or Overview of what your business is about

Keep it brief – a paragraph or three

It must be punchy and draw the reader in  
.....like the first page of a best selling novel

# Setting up your own Practice

## Step by Step to Start Up

### Writing a Business Plan

Why, when, what and to whom

Why? Set out YOUR Vision for YOUR Business

Start with basics like when and what, with background if buying out an existing practice

Go on to highlight your Unique Selling Points (USP's)....the “to whom” bit

Keep it simple and avoid jargon

# Setting up your own Practice

## Step by Step to Start Up

### Writing a Business Plan

#### Sales & Marketing Strategy

Start off by briefly describing the marketplace. Be specific. Include your Target Customer Base and a resume of your Competition. Refer to changes in the marketplace – due to, for example, legislation or technology, if appropriate

Describe how you are going to create a Marketing Strategy that illustrates you know your Target Customers' needs

Detail your Pricing Policy and make sure it tallies with the numbers in your projections

Detail how you are going to advertise and what types of media you are going to use and why.....even if only by word of mouth / networking

# Setting up your own Practice Step by Step to Start Up

## Writing a Business Plan

### The Team

Even if The Team will be You, ably assisted by.....You and you want to keep it this way, this section is very important as you will be illustrating how The Team (You) will meet the challenges set by the Business Plan

Don't hide behind a bushel – things that are obvious to the writer won't be to the reader unless they are detailed.

Highlight your strengths but don't ignore your weaknesses – simply state clearly how you are going to address them

Underline your MiP status as well as the benefits AAT qualifications and support bring to your business



# Setting up your own Practice

## Step by Step to Start Up

### Writing a Business Plan

#### Operations & Admin – Where and how

Location, Location, Location!!!! Detail why you have chosen the place you are going to trade from .....even if it is your spare bedroom!

Discuss the pro's & con's and show how you are going to maximise the advantages of the pro's whilst minimising the con's

Detail how the premises will accommodate the business as it grows and how you plan to deal with the problem of when it can't. Include timelines as to when you think you will have to move

#### What support will you have

IT, include the Software packages you will use and why

Who will answer the phone when you are not there

Holiday cover etc

# Setting up your own Practice

## Step by Step to Start Up

### Writing a Business Plan

#### Financials and funding requirements

Use this section to 'talk the reader through' the projections that will be included in the Appendices

If any funding is required from a Lender or source of Grant Funding then you must include at least 2 years' Cash Flow Projections.

Projected Profit and Loss Accounts together with the associate Balance Sheets are essential

Detail all assumptions made and an explanation as to why they have been chosen

Sensitivity analysis. What happens if Sales are 10% down and Costs 10% up?

# Setting up your own Practice

## Step by Step to Start Up

### Writing a Business Plan

#### Appendices

- This is where all the projections go
- Put a copy of your CV in this section
- Include a copy of any marketing material for your chosen trade premises
- Include copies of any generic marketing material if available
- Include any Market Research data you may have drawn up
- Include a list of sources you have referred to if appropriate
- Include any testimonials here

# Setting up your own Practice

## Step by Step to Start Up

Writing a Business Plan – remember this bit?

Why, when, what and to whom

Why? Set out YOUR Vision for YOUR Business

Start with basics like when and what, with background if buying out an existing practice

Go on to highlight your Unique Selling Points (USP's)....the “to whom” bit

Keep it simple and avoid jargon

Over to you .....take a couple of minutes to discuss around the table and then write down **Your Vision and USP's**

# Setting up your own Practice

## Step by Step to Start Up

### Administration

#### Legal Entity

- Limited Company, LLP, Partnership or Sole Trader
- Consider the pro's and con's for you. Unfortunately, the old interactive tools on the Business Link are now defunct but you can find more information at:-  
[www.gov.uk/business-legal-structures/overview](http://www.gov.uk/business-legal-structures/overview)

#### Bank Account

- Don't be obsessed about the cost of Business Banking.
- Build up a good relationship with a Bank Manager from one of the 'traditional' banks.

# Setting up your own Practice

## Step by Step to Start Up

### Marketing

Whilst the Business Plan will have outlined the Marketing Strategy, Marketing MUST be an integral, ongoing part of the business....for example.....

- Review your competitors' offerings
  - Consider how they impact on your business and how to respond
- Talk to your Clients
  - What do they want?
    - Can you fulfil these needs?
    - Do you want to?
- Review key dates
  - Tax Year end
  - Return deadlines
  - Budget dates etc
- Regularly review marketing material
  - Keep it up to date
  - Consider electronic marketing – Website; Facebook; Twitter; Email shots

**BUT WHATEVER YOU DO – MONITOR RESULTS**

# Setting up your own Practice

## Step by Step to Start Up

### Networking

Mention Networking and businesses usually think “ways to increase my client base and bottom line”. Well, think again.....

Today's event is Networking.

Use Networking events to keep up to date with changes within your profession / training issues and delivery / marketing methods

Use AAT's Branch Network

Use the Business Link website as well as sites such as LinkedIn as Networking tools to keep you up to date with the wider picture

Join Networking groups – real and virtual – aimed at increasing Client numbers

AS WITH MARKETING– MONITOR RESULTS

The logo for the Association of Accountants and Tax Technicians (AAT), consisting of the lowercase letters 'aat' in a bold, sans-serif font.

# Setting up your own Practice Step by Step to Start Up

## Winning New Clients

Always a challenge. Use every appropriate opportunity to sell yourself and your business

By far the best source of new Clients is on the back of referrals from your GOOD Clients and professional contacts (e.g. Bank contacts; IFA's etc)

Target new Clients that are similar to the ones you are happy with / give a good service to already

But don't forget.....don't loose sight of your existing Clients. It's far harder to win a new Client to replace one you have lost than to retain the old one in the first place.....can you get a larger share of your existing Clients' wallets?



# Setting up your own Practice

## Step by Step to Start Up

### The Pathway to Success

- “Fail to Plan means you are Planning to Fail”
- Go through the pre-Start planning stage over and over again to make sure it is right for you
- Don't be frightened to admit that being Self-employed and all that comes with it is not for you if it isn't
- Don't forget .....to a be a success, a good Business Plan has to be well implemented and closely monitored



# Setting up your own Practice Step by Step to Start Up

## The Pathway to Success

- Constantly review what is working and what isn't. Do more of what is working and, if you can't improve what isn't then ditch that part of your business
- Don't be frightened to ask for advice and, if for good reasons you don't like the advice that's being offered, to ignore it!



# Setting up your own Practice Step by Step to Start Up

## Questions and Answers

“A business has to be involving,  
it has to be fun,  
and it has to exercise your creative instincts”

Sir Richard Branson  
Chairman – Virgin Group

# Setting up your own Practice Step by Step to Start Up

## My Contact Details

- John Lawrenson T: 0777 565 1016
- John Lawrenson E: [johnlawrensonassociates@gmail.com](mailto:johnlawrensonassociates@gmail.com)  
[www.johnlawrensonassociates.co.uk](http://www.johnlawrensonassociates.co.uk)



# Disclaimer

The information contained in this presentation or delivered in relation to it has been compiled by its author with every effort made to ensure its accuracy. AAT is not responsible for its veracity, nor for any opinions expressed within or in relation to it.

By receipt of this information, direct or indirectly, you the attendee or recipient release AAT and any of its Officers, Directors or employees, jointly or individually, from any actions, damages, responsibilities, claims or losses as a result.