

FREE

The
little fish
guide to



running
your own
business

Introduction

Jackie Barrie founded Comms Plus in 2001. It's a writing and design business that specialises in making complex information appear simple. She has grown the company year-on-year and now advises other small businesses on how to succeed, especially with their marketing communications.

When you start a business you're a little fish in a big pond.

In first three years only 23% small businesses succeed with no help

60% small businesses succeed with regular advice and support

Only half of new businesses survive more than 5 years (source VAT records)

This booklet contains everything Jackie wishes she'd known on day 1. Follow these tips in your own business and you're sure to 'make a splash!'

About editing and design for an illustrated book...
"It's utterly wonderful, I couldn't be more pleased!
A beautiful piece of work. I can't tell you how thrilled I am!"

Chris Southam, Chill Out .uk

What do you do?

Once upon a time there were two brick-layers. A man walked past them and asked the first one: "What are you doing?"

"I'm building a wall," he replied.

The man then asked the second brick-layer, "And what are you doing?"

He said, "I'm building a cathedral."

Moral

Stay focused on your goal



About logo, ads, posters and shopfront ideas...

"I think the drafts you have sent are great - the layout should really stand out."

Richard Williams NCMS

Plan carefully

Lots of people rush into printing their corporate stationery, but there are a lot of elements to consider.

Business type

If you work with anyone else you should arrange legal agreements to protect you.

- Sole trader
- Partnership
- Limited company
- Co-operative
- Franchise

Business name

Anything but your own name should be checked for availability. Your business stationery e.g. invoices must show the owner(s) name too e.g. 'Your Name trading as Your Business'

- Your own name/initials plus xxx
- Meaningful name
- Abstract name
- Registered trademark

Business address

Consider convenience and the impression you wish to make.

- Work from home
- PO Box
- Virtual office (mailing address)
- Rent/buy premises

About business cards, leaflets and web copy...

"First impression - wow you are really talented!"

Jenny Sergeant

Business phone number

Choose as appropriate:

Home number

Business line

Mobile

Virtual assistant

Non-geographic numbers e.g.

0800/0808 (free)

0845 (local rate from landlines)

0870 (national rate)

0871 (special rate)

0900 (premium rate)

Email address

Don't use free providers such as hotmail or yahoo, they are seen as unprofessional. It's cheap and easy to buy your own domain name and forward emails from there e.g. yourname@yourdomain.co.uk.

Domain name

A web presence is essential these days, so prospective customers can check out how you present yourself to the world.

Brand values

Think carefully about the ethics and values you want to present.

Don't even start to get a logo designed or stationery printed until you are completely sure of a consistent look, feel, and tone of voice for your business. Then apply that across the entire customer experience.

About public speaking & networking bingo...

"A very big THANK YOU for Thursday! I could hardly get back downstairs again as people were leaving for the thanks. They all wanted to know when the next one was! Many thanks again Jackie - you were fab!"

Jackie Groundsell, The Women's Company

Finding customers

People do business with people

It takes time to build a reputation and get your business known. Meanwhile, you have to get out there and meet people, because it's not who you know, it's who knows you!

Brands advertise
SMEs network

Treat 'em right

Treat your customers as you would wish to be treated yourself. Which of these would you rather be?

Punter
Customer
Client

Your aim is to turn **prospects** into **customers**, customers into **repeat customers** and then repeat customers into **champions** who recommend you to others.

Top tip:

Segment your database according to **Recency, Frequency** and **Value**, and then treat your most valuable customers differently e.g. by offering rewards for loyalty.

About copywriting for a direct mail letter...

"I think what you've done is excellent – thank you."
John Dashfield, Coaching

Measure success

I heard of a bus company that introduced KPIs (Key Performance Indicators) to monitor results. Customers had told them that keeping to the time-table was important, so they decided to reward drivers who returned to the depot on time.

Seems reasonable, but what happened? Drivers who were late drove straight past bus-stops with queues of people waiting, just so they could claim their bonus.

The most useful measurements are:

- **Number of customers**
- **Average order value**
- **Frequency of orders**

By increasing any of these you can increase your profits.



Manage your time

80:20 rule (Pareto's Principle)

It's said that 20% of your effort generates 80% of your results. Make sure you do the most valuable actions first, every day.

Keep It Simple

There is an untrue story that the Americans spent millions of dollars developing a pen that would write in space. Meanwhile, the Russians used a pencil. However, there's a useful lesson there even if the story is not true! Just don't make things more complicated than they need to be.



"Your tips on one minute [presentations] and the [free tips] booklets are fantastic. I've been meaning to read them for ages and wish I had read them earlier. They are very useful, practical and easy to follow."

Hardika Ladva, Hardika's Healing Hands

What to charge?

Working full-time, you can expect to earn money for around **1,000 hours per year**. If you know the minimum salary you need to live on, it's easy to work out your minimum hourly rate.

N.B. You will work at least another 1,000 hours per year doing all the things you need to do to keep the business ticking over, but that don't actually earn you anything. Things like marketing, finance and business planning. So if you are earning money half of every day, week or month, you're doing OK.

Never offer discounts

If something is cheap or free, it's not valued. If the price is reduced, customers assume you over-charged in the first place. If someone does demand a discount, only give it in return for something you want e.g. early payment.

Top tip:

If you offer a free taster (and many businesses do), send a zero balance invoice showing the normal price so the client knows what it's really worth.

About urgent proof-reading...

"Thanks for your rapid response to my request. Your work is impressive."

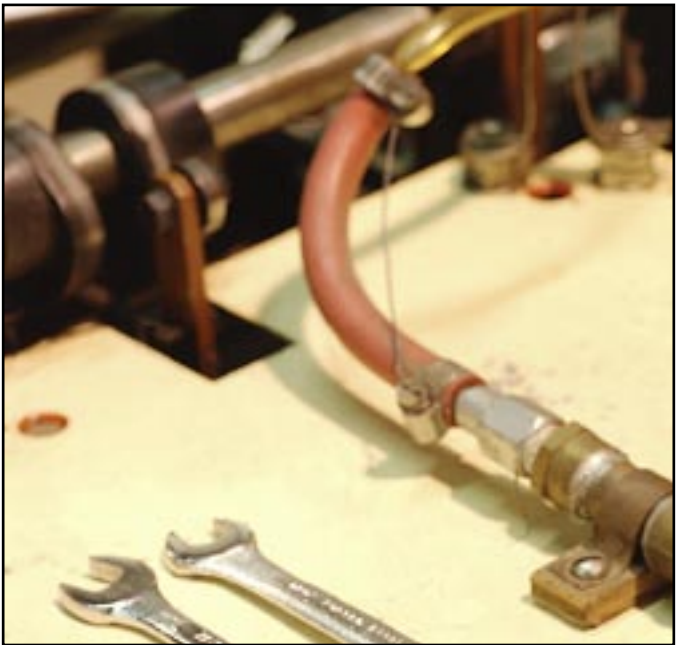
**Michael Carroll, Founder & Director,
NLP Academy**

Know your worth

A plumber was called to a factory to fix a banging pipe. He listened carefully, hit the pipe with a hammer, and the noise stopped. He sent in his bill for £1,000.

The manager queried, "How can it possibly cost so much? You were only there for five minutes! Please send me a breakdown."

The plumber sent a revised bill, "Hitting the pipe, £1. Knowing where to hit it, £999."



About information design...

"Jackie has years of experience in designing forms that can be read quickly and accurately by the latest image processing equipment."

**Christine Lambert, Senior Manager
Business Processing**

Money money money

It's essential to know the difference between turnover and profit. **Turnover** is the amount of money coming through the company before expenses, **profit** is what you are left with to pay yourself.

Set-up costs can be enormous and you will be lucky to make a substantial profit within the first two years.

The tax man won't claim much from you, if anything, in year 1. But in year 2 you will have to pay 18 months' tax in one go (all of the previous year plus payment in advance for the coming year). Painful!

Top tip:

Put aside 1/3 of everything you earn into an 'untouchable fund' where it earns interest until you need to pay the tax.



Getting paid

The biggest problem experienced by small businesses is cashflow, and the Government has introduced legislation to help.

Interest charges

You are entitled to charge interest at 8% above the Bank of England base rate that was in place on the day the debt becomes overdue. It's called the 'reference rate' and is set for 6 month periods e.g.

1st July - 31st December 2005

Reference rate = 4.75%

Interest rate = 12.75%

How to calculate interest

$$\frac{\text{Debt} \times \text{interest rate} \times \text{no. of days late}}{365}$$

Example

£851.06 debt + £148.94 VAT = £1000.00

30 days late

4% reference rate = 12% interest rate

£1000 x 12% = £120 annual rate

£120 / 365 = 32.9p daily rate

32.9p x 30 days = £9.86 interest owed to date

Interest accrues daily and is simple (not compound).

About business cards, diagrams and web copy...

"Thanks. You are a STAR!"

Peter Gerlach, Outstanding Achievements

Compensation for late payment

You are also entitled to claim compensation if you are paid later than the contract date or 30 days after the invoice date, at these rates:

up to £999.99 = £40

£1,000 to £9,999.99 = £70

£10,000 or over = £100

VAT is NOT added to compensation or interest

For more information, please see
www.payontime.co.uk

Other useful contacts include:

www.anewbusiness.co.uk

Companies House

Inland Revenue

High street banks

Business Link

Chamber of Commerce

www.ClearlyBusiness.com (Eversheds)

Business library

www.bba.org.uk (bank account finder)

Good luck!

Contact Comms Plus for help with your marketing communications, and lots more useful advice.

About regular newsletters...

"It looks great - good idea and excellently presented, thanks!"

Ros Kent, Sterling Syncordia

**Newsletters
Copywriting
Web design
Proof-reading
Events**

Other tips booklets include:

- Ssh! Discover the secrets of successful communication
- Checklist for events that go with a bang!
- 10 top tips for effective networking
- Climb that marketing mountain, with ease

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