



Government of **Western Australia**
Department of **Communities**

8 Steps to Starting a Business





WA's Individualised Services (WAiS) wrote this information. When you see the words 'we' or 'us', it means WAiS.



We have written this information in an easy to read way.

We use pictures to explain some ideas.



There are words you need to know and understand when you start a business.

Some words are written in **bold**.

We explain what these words mean.

There is a list of these words on page 19.



You can ask for help to read this information.

A friend, family member or support person may be able to help you.

1. Am I Ready?



I need to think about why I want to start my own business.



Will it provide me with independence?



Do I like making my own decisions?



Do I have the skills to run a business?



Is this the best way for me to work?



Will having my own business give me:



- The flexibility I want?



- The life I want?



- A good income?



2. Think about my business idea.



Find out if my product or service is needed by enough people.



Decide where I want to locate my business.



Work out the strengths and weaknesses of my business idea.



Find out about how other businesses are selling products or services like mine.



Work out how successful the other businesses are at selling their products or services.



Decide if I still have a good business idea.

3. Write my business plan



This is a document which has the goals I have for my business.



It tells others about:

- How I want to reach my business goals



- How I want to market my business



- What my business income could be



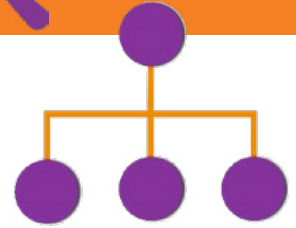
The business plan is for me, to help me make decisions.



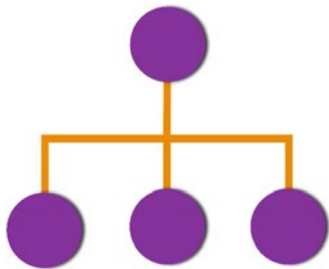
It can also be for other people to understand my goals.



For example it can be for a bank to borrow money for my business.



4. Choose the legal structure of my business



Work out the best **legal structure** for my business.

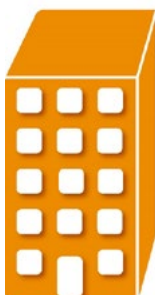


It could be:

- **sole trader**



- **partnership**



- **company**



- **trust**



I may need to speak to an **accountant** or **lawyer** before choosing the best business structure for me.

5. Check my legal responsibilities



To do

1. _____

2. _____

3. _____

Sign Joe

When starting a business, the law gives me important responsibilities.



Do I know what these important responsibilities are?

Licence

☐

These can be:

- **Licences**

Form

☐ ☐

- **Registrations**



- **Taxation**



- **Insurance**



- **Contracts**

6. My Support Team



Do I have the right people with business experience to help me who I can trust?



Who do I think I need?



I might also need to think about:



an **accountant**



a **lawyer**



They can help me start and grow my business.

7. Work out my finances



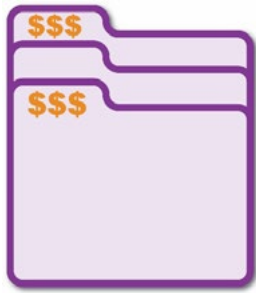
Do I have enough money to start my business?



Do I know what my customers might pay for my products or services?



Have I done **financial forecasts**?



Do I have a good system for keeping my records?



Am I able to work out **financial statements**?



I can use the free tools on the Small Business Development Corporation's website to work this all out

<https://www.smallbusiness.wa.gov.au/business-advice/financial-management>

8. Market my business



Marketing is important!



Having a great business idea is not enough.



My business needs to be marketed well so customers can find me.



It's important to let the right customers know about my product or service to get the best results.



Advertising and selling are only part of it.



There is lots more to learn.



I can go to the Small Business Development Corporation's website to start learning more.

<https://www.smallbusiness.wa.gov.au/business-advice/marketing>

Word List

Words and abbreviations used in this document



Accountant

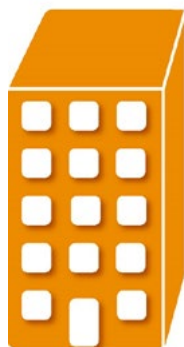
Your accountant is someone who:

- looks after your finances – the money that goes into, and comes out of, your business
- gives advice and information about business structure, financial or business decisions and requirements



Business

You are in a business if what you do has the goal of making a profit (money).



Company

A company is a legal structure that:

- stands on its own
- has rights like people do.

You must register your business to become a company.



Contract

A contract is an agreement between 2 people, businesses, organisations or government.

A contract can be:

- spoken, which can be risky
- written, the best contract



Customer

A customer is a person who:

- buys your **products**
- uses your **services**.



Financial forecast

When you make a financial forecast, you say what you think the finances will be for your business in the future.

It can help you to reach your business goals.



Financial statement

A financial statement is a report that shows:

- what has happened with your finances
- how well your business is going.



Insurance

Insurance is a service you pay for, to protect you if something goes wrong

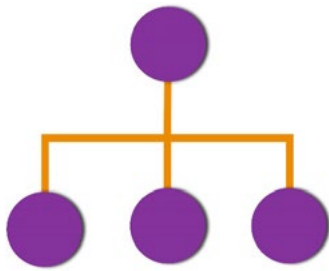
If you have insurance and something goes wrong, your insurance company could pay the cost



Lawyer

A lawyer is a person who:

- knows and understands the law
- can help you with contracts and other documents
- can give you advice about your rights and legal matters
- can speak for you in court



Legal structure

The legal structure is how your business is set up and run.

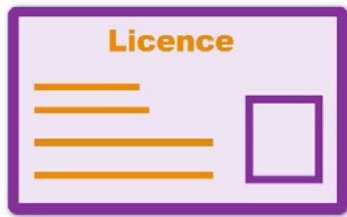
Your legal structure can make a difference to:

- the tax you need to pay and how you pay it
- what you need to do if you are the business owner
- how you can be affected if you own the business
- how you can protect the things you own
- what it costs to keep your business going
- how much paperwork you need to do.

The most common legal structures are:

- sole traders
- partnerships
- companies
- trusts.

We have explained each of these legal structures in this Word List.



Licence

A licence is a document that says you can:

- own or use something
- do something, like drive a car, bus or truck.

When you start a business, there might be licences you need for the services you provide, such as:

- working with children
- serving alcohol.



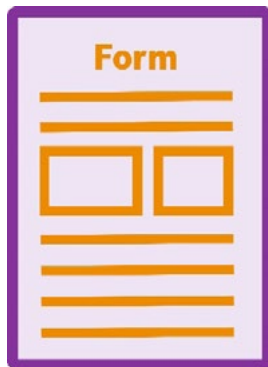
Partnership

A partnership is when 2 or more people run a business together.



Product

A product is something your business makes to sell. Your business may make more than one product.



Registration

When you register, you go on a list of people, businesses or companies that provide certain products or services.

To get registration, you will need to:

- Apply be approved.



Service

A service is the work or help your business sells. Your business may sell more than one service



Sole trader

A sole trader is a person who owns and runs a business by themselves. A sole trader is legally responsible for all areas of the business.



Taxation

Taxation (tax) is money you must pay to the government.

It comes out of the money you earn when you work.

The government spends tax money on things we all need, such as:

- roads
- schools
- health care services.



Trust

A trust is a way to manage:

- a business
- property that someone owns
- money that someone earns.

A trust has members who get the rewards from being part of the trust.

A trustee manages the trust to help all its members.



Notes

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