

Question - Free Sample

What steps should I take to set up a new business and what pitfalls should I look out for?

Solution

There is a process to setting up a new business designed to reduce the risk of failure. The following steps will help you to get it right.

Business Start-up 101

The decision to start up your own business will not be one taken lightly.

The following information is designed to reduce the risk of failure when setting up your new business, assuming that you have already completed the tasks set out in **Solution 3** regarding taking the initial steps of research and development.

However, you have now decided to make a move.

THE PURPOSE OF A BUSINESS PLAN IS TO ELIMINATE RISK

The first thing you need to do is develop a business plan from all the data you have collected from your market research.

This is an effective way of getting all your ideas out of your head and onto paper. It's meant to be utilised as a **solid base** from which to build.

The business plan is also a document that can be used to show your Bank Manager that you have a certain level of business knowledge. This is what the Bank Manager will be investing in should you require an overdraft or a business loan to get started.

Writing a robust and valid business plan is difficult to get right and can require the services of a specialist business planner.

GETTING STARTED

- Firstly, you need to write down all the issues that you would like to deal with during your planning session with a business planner.
- Secondly, you'll need to take note of any issues that arise from stalled discussions that are unable to be solved during the planning process, addressing them later.

Plan to succeed by Dean Dalton

There is an old saying "Scientia potentia est" – Knowledge is power.

In 1990 I started a business built around a range of products, that I invented and patented, made from cardboard. These products were based on exploratory market research I conducted with potential customers and were designed to make it easier for any organisation with a large paper-based filing system to file and retrieve documents.

By arranging all the information from my exploratory market research it became alarmingly clear that, after 12 months trading, some of our products had two major flaws.

- They were made from inferior materials
- They were priced higher than our competitors' products.

So... I focused on how I was going to **turn our biggest weaknesses into our greatest strengths**.

I did this by taking the time to search out the best materials at the lowest possible cost. Whakatane Board Mills are the only cardboard manufacturer in NZ and fortunately they were able to supply me with an incredibly detailed board sampler kit that enabled me to choose the toughest board for the best use in our products.

I also researched a very large company who used these same board types in their own products. I arranged to piggyback on their large orders gaining the lowest cost in New Zealand for those particular board types. This gave a huge advantage over our competitors on price. With our improved product quality, we immediately became known in the market place as suppliers of the highest quality products at competitive prices.

Getting Started – Things to do

- **Company Set up** - Contact a lawyer for legal advice on company set up matters including any lease agreement, possible partnership contracts and share issues and a Succession Plan (how to sell out to business partner or buyer).
- **Terms of Trade** - Arrange to have a professional develop your Terms of Trade to avoid lost revenue as a result of customers defaulting on payments.
- **Company Name** - Register the company name e.g. **DaltonPlan Limited** at www.companies.govt.nz
- Make sure **Limited** appears on all stationery to protect against creditors' demands.
- **Bank Account** - Open a **cheque** account with your main bank in the company name. You will need your company number. Open a **deposit** account for Income Tax & GST savings with an alternative bank. Your savings will be safer not being able to be accessed by your main bank should you go temporarily into overdraft.
- **Trademark** - Register the company name as a trademark e.g. **DaltonPlan®** as a point of difference to competitors and to **protect your domain name**.
- **Brand Identity (Logo)** - Work with a graphic designer to develop your **Creative Brief** to align with your company brand identity.
- **Domain Name** - Register a Domain Name for your Email address e.g. info@DaltonPlan.co.nz and Web site www.DaltonPlan.co.nz
- **Web Site and E-newsletters** - Develop an effective company web site and regular E-newsletters with advanced graphics and video clips as a powerful promotional tool.
- **Google Analytics** www.google.co.nz Measure performance regarding number of hits, visitors names, pages they viewed and for how long and where they were referred from.
- **PO Box** - Register a Post Office Box number for your company.

- **Legal** - Registering with IRD automatically registers you with ACC. Obtain a new IRD **business** number.
- **Financial Risk Review** - Review all financial and insurance arrangements within the business to reduce expenses and eliminate risk (loans, mortgages, insurance cover, public indemnity, equipment...) **KiwiSaver** - Develop a KiwiSaver plan for both you and your staff.

Operations

- **IT Performance Assessment** - Include data backup and recovery regime, antivirus and hacking protection.
- **Telephone Line** - Call Telecommunications providers to set up a sufficient number of business lines for your business with a message system, fax/modem, broadband and cell phones.

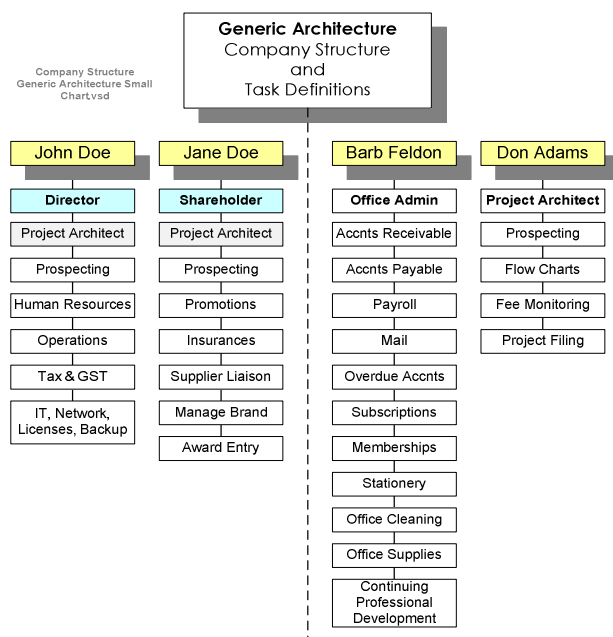
True story – Prepare for the future by Dean Dalton

I recently received a call from a client of mine who had developed their business plan with me over eight years ago. They told me that they were so glad that, at the time, they had registered their tourism company as a trademark here in New Zealand as one of their "business start-up" tasks.

They told me that they had recently received a letter from an Australian tourism operator with the **same company brand name** as their own tourism company, wanting to expand their operation from Australia demanding exclusive rights to the use of the name in New Zealand. They threatened legal action if my client didn't surrender their rights to the name.

So, my client got their lawyer onto it and in the end the Aussies had to back down because my client had already registered the trademark here in NZ. This also protects their domain name which they have spent the last eight years building their entire business around relying heavily on their web site for bookings from overseas tourists and locals wanting to take advantage of their good name in the market place.

- **Telephone Prospecting Speech** - Use to gain appointments. E.g. "Hi, my name's John Doe from You Beauty. We specialise in providing high quality hospitality services. Our business clients use our services for staff lunches and special occasions. The reason for this call is make an appointment with you to show you what we do. If you like what you see then you call me. So when would suit you?"
- **Telephone customer greeting** - Flow chart this process to increase sales by optimising customer communication. **See Solution 7.**
- **Operations File** - complete and file all Operations Flow Charts into job-specific files.
- **CRM** - Set up and develop the use of Microsoft Outlook Office as your CRM Customer Relationship Management application to increase sales through better customer management communications via email promotions.
- **Company Structure and Task Definitions** - Allocate relevant tasks to assigned staff before the business starts operating.



Finance

- **Accountant** - Employ the services of an accountant who can offer meaningful advice on the financial fitness of your Profit & Loss Statement for the future and advice on management of any business risks.

- **Costings** - Determine the sales volume required based on your costings, meeting the DaltonPlan® benchmarks for profitability for services and products, to ensure that you make enough profit. **See Solution 1** for DaltonPlan® benchmarks.
- **Accounting Software** - Register with Xero online accounting software or purchase MYOB as your main accounting software application to provide you with important financial reports enabling you to monitor the performance of the business.
- **Retailers** - Add POS MYOB Retail Manager system - www.MYOB.co.nz

Marketing

- **Skype Video Calls** - Register on Skype and conduct video calls with clients as a powerful "One to many" approach to nurturing existing clients and as a selling tool to prospective clients.
- **Customer Satisfaction Survey Questionnaire** - Develop a questionnaire. See Likert Scale next two pages of this document and data table to interpret information. Take corrective action.
- **Before & After Photos** - In certain industries e.g. landscaping, take "before and after" photos of jobs with your cell phone to show prospects as a promotional tool. This is ideal also for architects to PXT progress stages to overseas clients.
- **Service Quality Model** - Develop your SQM as your main leave-behind sales tool showing how you work with customers. This also directs them to your web site. **See Solution 2.**
- **Wisdom Screen Hunter Free** - This free software can be downloaded from the Internet and can be used to capture any selected graphic on the monitor to place in your promotional material. www.wisdom-soft.com
- **Set Up MSN** - This is an effective messaging system for quick electronic correspondence to staff, suppliers, technicians or customers. It comes free with your PC and Microsoft suit of products.
- **Magnetic signage** - Place signage on the side of your vehicle showing your web address, e.g. www.DaltonPlan.co.nz

Human Resources

- **Employment Contracts** - Make sure to keep up to date with the latest employment laws to save on personal grievance claims by staff. Visit www.JohnstonPenno.co.nz as a trusted site for the latest information.
- **Pay Rates** - Research latest contractor pay rates on www.crackerjacks.co.nz
- **Payroll** - Employ a Payroll system. Depending on the size of your business try online system www.ipayroll.co.nz giving global access for larger organisations and www.SmartBusinessLive.co.nz for smaller businesses. Both cater for New Zealand law changes e.g Student Loan and KiwiSaver deductions from pay.
- **Recruit Staff** - Recruit suitable staff through a professional agency.
- **Staff Induction Method** - Develop an Induction Process for new staff to assimilate them into the organisation as quickly as possible. This can also be called "Socialisation Process".
- **Staff Appraisal Method** - Develop a relevant appraisal approach that aligns with staff expectations. This needs to be done in conjunction with a professional and leading staff in order to be effective in retaining good staff. Visit www.JohnstonPenno.co.nz as a trusted site for assistance.
- **Nurture staff** – This will increase levels of job satisfaction proven to result in improved productivity.

UPON COMPLETION OF THE BUSINESS PLAN

- You will emerge from the business planning exercise with a sharper focus on your business aspirations and how to go about achieving them.
- Your business concepts or existing practices will have been rigorously tested and appraised.
- You will be able to proceed, secure in the knowledge that your business is underpinned by sound principles and proven techniques using the DaltonPlan® approach.

Think strategically by Dean Dalton

Trademark to protect Domain name

A client of mine told me how she estimated that she loses a significant amount in sales each year to her main competitor because they both have similar Domain names with the difference being an "s" on the end of one name and not on the other.

My client chose her Domain name expressed in the plural and her competitor chose the same name but expressed in the singular. She has found that when customers enter the Domain name in the singular they get her competitor's web site, not hers.

DaltonPlan® performance benchmarks

I worked with one particular client of mine, operating in the hospitality industry, who wasn't achieving the levels of income they should have been achieving for their level of sales.

The first thing they said to me was that "We need to increase sales revenue." On obtaining their end-of-year Profit & Loss Statement (or Statement of Financial Position) from their accountant, the first formula I always check is the relationship between Gross Profit and Sales. My client was achieving **62%** GP as a percentage of Sales. The DaltonPlan® benchmark for Gross Profit as a percentage of Sales in the hospitality industry is **70%** (all other things being equal).

We achieved this by training my client to cost the drinks and food menus accurately with staff, perform regular weekly stock takes and calculate weekly P&L Statements.

We took the following steps to achieve my client's goals. We were able to;

- Adjust the design of the menu while still retaining its integrity
- Reduce the cost of goods component
- Reduce wastage and spillage
- Eliminate pilfering by staff

We achieved an increase of **8%GP** from **62%** to **70%** at the end of the following year gaining for my client an **extra \$320,000** Net Profit for **no change in Expenses or Sales**.

From \$4,000,000 x 62% = \$2,480,000

To \$4,000,000 x 70% = \$2,800,000

[EMAIL ELECTRONIC QUESTIONNAIRE TO CUSTOMER - EXAMPLE](#)

Email electronic questionnaire as an attachment to customers. Ask them to tick relevant boxes and click "Forward" to return email (this will retain the attachment). Then enter data into Excel tables on the following page.

Follow instructions at the top of the questionnaire.

Customer Satisfaction Survey

Please double click on box you wish to tick and under **Default Value** choose **Checked** to complete the following questionnaire and "Forward" email this form back to us at Dean@DaltonPlan.co.nz
Thank you for your time it is much appreciated.

1 - The menu had an excellent selection of items.
 Dissatisfied Not Satisfied Neutral Satisfied Very Satisfied

2 - The quality of food was excellent.
 Dissatisfied Not Satisfied Neutral Satisfied Very Satisfied

3 - A server was there to take our order quickly.
 Dissatisfied Not Satisfied Neutral Satisfied Very Satisfied

4 - The server was able to answer all our questions.
 Dissatisfied Not Satisfied Neutral Satisfied Very Satisfied

5 - Considering everything, our dining experience was a good value.
 Dissatisfied Not Satisfied Neutral Satisfied Very Satisfied

DISCLAIMER

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CUSTOMER SATISFACTION SURVEY - EXCEL data tables

A1 Customer Satisfaction Survey Generic.xls - www.statpac.com/online-surveys/examples

| | A | B | C | D | E | F | G | H | I | J | K | L | M |
|----|---------------------|--|---------------|---------|-----------|----------------|---------------------------------------|---------------|---------|-----------|----------------|---|---|
| 1 | # of Questionnaires | 1- The menu had an excellent selection of items. | | | | | 2- The quality of food was excellent. | | | | | | |
| 2 | Returned | Dissatisfied | Not Satisfied | Neutral | Satisfied | Very Satisfied | Dissatisfied | Not Satisfied | Neutral | Satisfied | Very Satisfied | | |
| 3 | 1 | 1 | | | | | | 1 | | | | | |
| 4 | 2 | | 1 | | | | | 1 | | | | | |
| 5 | 3 | | 1 | | | | | 1 | | | | | |
| 6 | 4 | | 1 | | | | | 1 | | | | | |
| 7 | 5 | | | | | 1 | | 1 | | | | | |
| 8 | 6 | | 1 | | | | | 1 | | | | | |
| 9 | 7 | | | | | 1 | | | 1 | | | | |
| 10 | 8 | | | 1 | | | | | 1 | | | | |
| 11 | 9 | | | | | 1 | | | 1 | | | | |
| 12 | 10 | | | 1 | | | | | 1 | | | | |
| 13 | 11 | | | | | 1 | | | 1 | | | | |
| 14 | 12 | | | | | 1 | | | 1 | | | | |
| 15 | 13 | | | | 1 | | | | 1 | | | | |
| 16 | 14 | | | | | 1 | | | | | | 1 | |
| 17 | 15 | | | | | 1 | | | | | | 1 | |
| 18 | 16 | | | | 1 | | | | | | | 1 | |
| 19 | 17 | | | | | 1 | | | | | | 1 | |
| 20 | 18 | | | | | 1 | | | | | | 1 | |
| 21 | 19 | | 1 | | | | | | | | | 1 | |
| 22 | 20 | 1 | | | | | | | | | | 1 | |
| 23 | 21 | 1 | | | | | | | | | | 1 | |
| 24 | 22 | | | | 1 | | | | | 1 | | | |
| 25 | 23 | | | 1 | | | | 1 | | | | | |
| 26 | 24 | 1 | | | | | | 1 | | | | | |
| 27 | 25 | 1 | | | | | | | | | 1 | | |
| 28 | Individual Totals | 5 | 5 | 3 | 3 | 9 | 2 | 6 | 7 | 2 | 8 | | |
| 29 | | 20% | 20% | 12% | 12% | 36% | 8% | 24% | 28% | 8% | 32% | | |
| 30 | Total Respondents | 25 | | | | 100% | 25 | | | | 100% | | |

| | A | M | N | O | P | Q | R | S | T | U | V | W | X | Y |
|----|---------------------|--|---------------|---------|-----------|----------------|---|---------------|---------|-----------|----------------|---|---|---|
| 1 | # of Questionnaires | 3- A server was there to take our order quickly. | | | | | 4- The server was able to answer all our questions. | | | | | | | |
| 2 | Returned | Dissatisfied | Not Satisfied | Neutral | Satisfied | Very Satisfied | Dissatisfied | Not Satisfied | Neutral | Satisfied | Very Satisfied | | | |
| 3 | 1 | 1 | | | | | 1 | | | | | | | |
| 4 | 2 | 1 | | | | | 1 | | | | | | | |
| 5 | 3 | 1 | | | | | 1 | | | | | | | |
| 6 | 4 | 1 | | | | | 1 | | | | | | | |
| 7 | 5 | 1 | | | | | 1 | | | | | | | |
| 8 | 6 | 1 | | | | | 1 | | | | | | | |
| 9 | 7 | 1 | | | | | 1 | | | | | | | |
| 10 | 8 | | | 1 | | | 1 | | | | | | | |
| 11 | 9 | | | 1 | | | | 1 | | | | | | |
| 12 | 10 | | | 1 | | | | 1 | | | | | | |
| 13 | 11 | | | 1 | | | | 1 | | | | | | |
| 14 | 12 | | 1 | | | | | | 1 | | | | | |
| 15 | 13 | | 1 | | | | | | 1 | | | | | |
| 16 | 14 | | 1 | | | | | | 1 | | | | | |
| 17 | 15 | | 1 | | | | | | 1 | | | | | |
| 18 | 16 | | 1 | | | | | | 1 | | | | | |
| 19 | 17 | | 1 | | | | | | 1 | | | | | |
| 20 | 18 | | | | | 1 | | | | | | 1 | | |
| 21 | 19 | | | | | 1 | | | | | | 1 | | |
| 22 | 20 | | | | | 1 | | | | | | 1 | | |
| 23 | 21 | | | | | 1 | | | | | | 1 | | |
| 24 | 22 | | | | 1 | | | | | | | 1 | | |
| 25 | 23 | | | | 1 | | | | | | 1 | | | |
| 26 | 24 | | | | 1 | | | | | | 1 | | | |
| 27 | 25 | | | | 1 | | | | | | 1 | | | |
| 28 | Individual Totals | 7 | 6 | 4 | 4 | 4 | 8 | 5 | 3 | 3 | 6 | | | |
| 29 | | 28% | 24% | 16% | 16% | 16% | 32% | 20% | 12% | 12% | 24% | | | |
| 30 | Total Respondents | 25 | | | | 100% | 25 | | | | 100% | | | |

| | A | Z | AA | AB | AC | AD |
|----|---------------------|--|---------------|---------|-----------|----------------|
| 1 | # of Questionnaires | 5- Considering everything, our dining experience was a good value. | | | | |
| 2 | Returned | Dissatisfied | Not Satisfied | Neutral | Satisfied | Very Satisfied |
| 3 | 1 | | | | | 1 |
| 4 | 2 | | | | | 1 |
| 5 | 3 | | | | | 1 |
| 6 | 4 | | | | | 1 |
| 7 | 5 | | | | | 1 |
| 8 | 6 | | | | | 1 |
| 9 | 7 | | | | | 1 |
| 10 | 8 | | | | | 1 |
| 11 | 9 | | | | | 1 |
| 12 | 10 | | | | | 1 |
| 13 | 11 | | | | | 1 |
| 14 | 12 | | | | | 1 |
| 15 | 13 | | | | | 1 |
| 16 | 14 | | | | | 1 |
| 17 | 15 | | | | | 1 |
| 18 | 16 | | | | 1 | |
| 19 | 17 | | | | 1 | |
| 20 | 18 | | | | 1 | |
| 21 | 19 | | | | 1 | |
| 22 | 20 | | | | 1 | |
| 23 | 21 | | | | 1 | |
| 24 | 22 | | | | 1 | |
| 25 | 23 | | | | 1 | |
| 26 | 24 | | | 1 | | |
| 27 | 25 | | | 1 | | |
| 28 | Individual Totals | 0 | 0 | 2 | 8 | 15 |
| 29 | | 0% | 0% | 8% | 32% | 60% |
| 30 | Total Respondents | 25 | | | | 100% |

Talk to us about making positive changes in your business using the DaltonPlan® Model

Below is the proven DaltonPlan® Business Action Planning Model that is recognised by major trading banks, Government departments, associations and corporate firms in New Zealand.



SERVICE QUALITY MODEL – How DaltonPlan® work with clients
Setting the standard for business planning in New Zealand

NEW BUSINESS

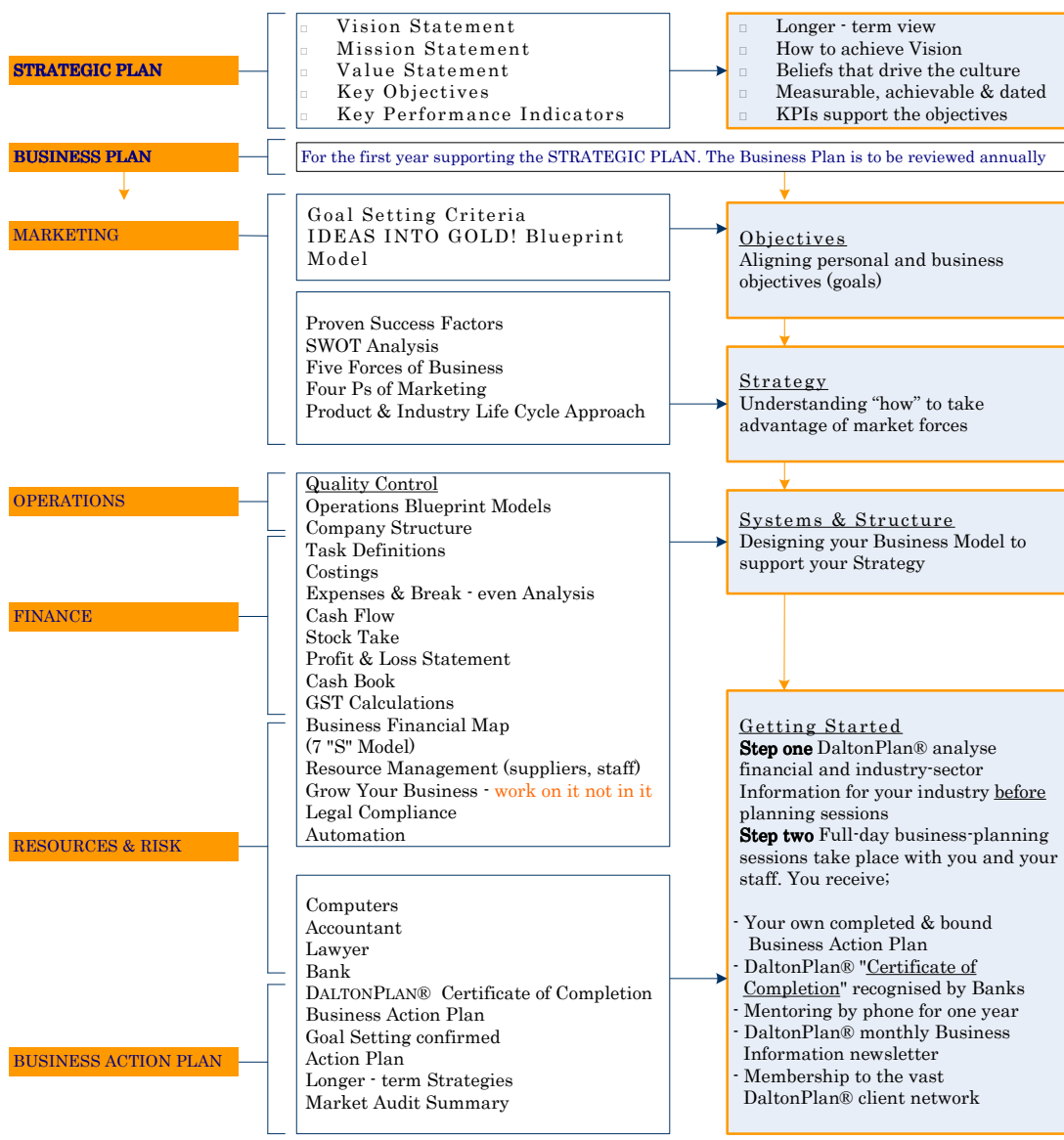
You identify a gap in the market
You have an idea for an invention

REFOCUS EXISTING BUSINESS

You wish to increase profits
You wish to progress to a higher level

SELL EXISTING BUSINESS

You sell your business for the best possible price or succession plan



DaltonPlan® Business Planning Model is officially recognised by major trading banks, Corporate organisations and Association
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