

# Turn your business idea into reality

You have a fantastic idea for a business that you are convinced no-one else has thought of. You cannot stop thinking about it, but those thoughts remain mere daydreams and fantasies of what you could achieve. Months go by, until one day you walk into a shop to find someone else has had the same ideas as you, has done something about it and is now making a very good living from it. All this probably sounds very familiar, but the truth is that it does not need to happen. If you feel inspired to stop dreaming about making your dream a reality, then now is the time to do something about it. All you need to do is follow three simple steps: Decide what your goal is, make a plan and then carry out the necessary actions.

## 1. Research your market

Obviously you already have the great business idea, but do you know how many other people will like it? You need to research your market to see whether anyone is already doing something similar. A good question to ask yourself is "what competition do I face?" For instance, if you want to set up a new restaurant, make a list of all the restaurants in the local area, check what they offer, what their pricing is like, and what additional features they offer (car parking, a separate bar, etc). Then think about the customers those restaurants appeal to. Are they young people; frequent diners; groups? Or perhaps the restaurant is somewhere to be visited for special occasions? From all this research you should be able to determine the gap in the market your restaurant will fill, your pricing, and any special features your restaurant might have to make it stand out from the competition.

## 2. Get a realistic business plan

This may seem obvious but you would be amazed by how many businesses get started without any realistic idea of the first year costs involved and projected revenues. Consider the costs you will incur while making your dream a reality? If your idea is a "thing" then you need to look into manufacturing costs. If your idea is a new shop or service then how much will the property cost to rent or lease? How much will fixtures and fittings cost? Don't just work out the setup costs, work out the ongoing costs for at least the first year. You'll also need to work out the "marginal cost". This is the cost to you to make or serve one more unit of whatever it is you're going to do. If it's a restaurant it's the extra cost of serving one more customer. If you're going to make something, it's the added cost to make, store and sell the item. Also, you will need a realistic idea of how fast your idea will take off. You're unlikely to be overwhelmed with customers on day one because only a few people will have heard of you. Consider how your market is going to grow and then see what this means for the potential income you'll be bringing in. Once you've figured out your likely costs and likely revenues put the two together and you'll have the start of your business plan.

## 3. Get the right kind of funding

Your business plan will tell you two things. Firstly, how much money you'll need to start your business. And secondly, how much of a gap there will be between your costs and revenue once your business has started. This gap is likely to be negative for at least the first year, but it should turn positive (you should start making a profit) as soon as possible. This initial gap can cause cash flow issues for your new business. This is especially the case if you are making things or providing a service to other businesses who you then have to invoice. If this is the case then an "invoice finance" option that helps you free up the money tied up in invoices is a sensible idea.