

How to Start a Business

What is a business?

A business is a legally recognized entity, company, or firm that provides goods or services, or both, in exchange for money.

Good practices to adopt when starting a business

There are several good practices that entrepreneurs can adopt when looking to start a business in order to increase their likelihood of success and reduce the challenges and risks typically associated with the business journey. Some examples of such good practices include:



Document your business idea: write down the concept for the business you are looking to deliver and all the features that could potentially make the business successful.



Conduct a feasibility study/market assessment: evaluate the viability of your business idea from commercial, technical and financial standpoints to ascertain whether the business is worth pursuing. This will involve researching the market to assess the appetite and buying power of prospective customers, evaluating the competitive landscape and analyzing potential returns from the business.



Determine the right location for your business: one of the most important decisions you will make is where your business will be located and whether you will have a physical (brick and mortar) store as well as its location, an online store or both. This decision should be driven by where your prospective customers are located, the most effective channels to use in reaching them and the cost of setting up in that location.



Develop your business plan: a business plan is an important document that you should create for your business because it enables you to articulate your core business objectives, operational and financial goals and a strategy for how you intend to achieve these goals.



Register your business: all businesses must be registered with the appropriate agency responsible for registration. In Nigeria, this is the

Corporate Affairs Commission (CAC) and you may decide to register a business name, a limited liability company or a partnership as appropriate to your business structure.



Complete your tax registration: register your business with the relevant tax authorities and obtain a tax identification number (TIN).

Obtain licenses and permits applicable to your industry: depending on the business you will embark on and the industry in which it operates, you will need to apply for and obtain applicable licenses and permits.



Source for capital: your business will require money to start and this can be sourced from your personal resources, from individuals or institutions that are interested in partnering with you or from financial institutions and individuals that may provide loans (debt) or equity capital. Your business plan can be used as a tool in the process of raising funds.



Recruit the right team: depending on the business that you are pursuing and your specific business requirements, source for people with the right skills, experience and temperament to support you in delivering your business idea.



Get the word out: spread the word about your business so that you generate interest and potential customers prior to commencement. Effective marketing is crucial to business success.