

## **ADVANTAGES AND DISADVANTAGES**

### **Potential advantages**

- Freedom to decide what you will do and how, when and where you will work.
- Autonomy in making business decisions.
- The challenge of having total responsibility for your business.
- The thrill of doing something new and being able to innovate continually.
- Sense of achievement.
- The satisfaction of bringing something from concept to execution.
- Potential to earn more than if you were employed by another.
- The “edge” and focus that *having* to make a project work brings.
- Making a contribution to your community by creating employment.

### **Potential disadvantages**

- When you’re not selling or successful you’re not earning very much or at all.
- High failure rate of new companies in their first few years and so you risk losing your own or investor’s money.
- Having to take responsibility for every aspect of the company and thus do things you don’t like doing e.g. an artist might like painting but hate working out finances.
- Social and holiday time can be severely curtailed: you will be working or “on call” 24/7 at least until you break even or get a responsible employee/partner to delegate to.
- Your confidence can be dented if things don’t work out as planned.
- The need to organise all your own personal tax, insurance and pension plans.

## **KEY QUALITIES/TRAITS OF A SUCCESSFUL ENTREPRENEUR**

While self-starters in certain professions need qualifications (e.g. medical, legal), there are many non-academic qualities which are evident amongst successful entrepreneurs like Richard Branson, Alan Sugar and Bill Cullen, none of whom have a degree. These include:

- |                                    |                                  |                       |
|------------------------------------|----------------------------------|-----------------------|
| • personal drive                   | • the right attitude             | • confidence          |
| • total commitment<br>to hard work | • lack of fear of<br>uncertainty | • emotional strength  |
| • organisational<br>skills         | • self-disciplined               | • risk-friendly       |
| • competitive                      | • success-oriented               | • high stamina levels |

In addition, Saville and Holdsworth Ireland (SHL), in their Competency Model for Owner Managers cite that, to be successful, entrepreneurs need to excel in: two-way communication; building and maintaining relationships; persuading; analytical decision making; commercial appreciation; future orientation; commitment to self-development; determination to achieve.

## **So if I'm not the above person does that mean I can't have my own business?**

Not having the above qualities can make life more difficult for you but through investing in training (e.g. *enterprise workshops etc.*) and/or recruiting the right people (administrators/accountants) you can certainly lessen the impact of any deficiencies you feel you might have.

Be honest in assessing yourself and what you have to offer. Do lots of research before you invest any significant time or money in a project to assess if this is a good career path for you. Include speaking to enterprise support agencies, lenders/investors and existing entrepreneurs as part of that research.

## **STARTING**

### **Assuming I am suited to self-employment what type of business can I start?**

Pretty much anything you want! However you might need to ask yourself some questions about the product or service you are offering:

- Is there a consumer need for my product/service?
- How many others are offering this product/service and who are they?
- What are the likely costs involved and what will I have to charge?
- Who are my target customers and where are they?
- Is my product a new product or a development of an existing product?
- What likely barriers will I face in entering this market/industry?

## **FUNDING**

### **I've decided on my product/service. So, what next?**

- Research and establish potential sources of funding for your company. Work out the cash flow you will need to both start up and keep afloat for at least six months or a year. This funding typically goes towards the purchase or rent of premises, equipment or facilities and/or to purchase stock and to give yourself a wage where possible
- When seeking funding you should firstly make a decision on how much of your personal funds you are going to need / use. You should talk to other sources such as lending providers (e.g. banks, credit unions etc.) or external investors who may be willing to provide funding for your venture who are known as "business angels". You should also contact the various enterprise bodies (e.g. Local Enterprise Boards) regarding potential funding/grants that may be available for start-up companies. Enterprise Ireland and InterTrade Ireland have set up the Halo Business Angel Partnership to match investors with entrepreneurs. Many financial institutions will have a specific funding programme and advisors in place to guide you.
- Remember however that friends and family are most frequently the people who will provide your cash flow in the early days. These are your most important relationships so make sure you formalise the loan arrangement as much as possible and pay them back or provide a dividend within an agreed timeframe. Consider also that you may be able to barter the services/products you have to offer with those you need from others to make your business a success thus saving you money.
- Create what is known as an "elevator pitch", so-called to emphasise that you have the length of time that it takes an elevator/lift to get to your target audience's selected floor to win their interest. Imagine you need to create a thirty second summary of your vision for the business you want to create. This will be the bait with which you aim to "hook" all potential investors and

supporters. Work with family / friends / colleagues / a chosen mentor if necessary to hone this to perfection.

## **BUSINESS PLAN**

**I've now found some potential sources of funding but they say they need more details of what I'm planning to do. What do I tell them?**

You need to show your potential lenders/investors your business plan. This is an initial document which provides a level of structure to your proposed business. It also provides your aims, objectives and ambitions for your business over the first few years of its existence. This shows potential investors how much thinking you have put into your business and that you are serious about bringing it to fruition. It also helps you to "get your head around" what you're proposing. Banks and enterprise support agencies can provide you with templates to create your plan and one-to-one support in completing them. Seek help from existing entrepreneurs with this also. Typically your plan might include the following:

- Personal details
- Description of the business in some detail
- Results of market research
- Proposed marketing approaches
- Finance / capital needed
- Cash flow projection and projected profit and loss account.

**Some other things to consider when thinking of self-employment:**

- Legal Obligations – health and safety, disciplinary/grievance procedures etc.
- Tax implications (income tax, V.A.T. etc.).
- Legal status of the business – (Sole Trader etc.).
- Registering a business name – (Companies Registration Office -<https://www.cro.ie/>)
- Taking out a patent etc. (<https://www.ipoi.gov.ie/en/> ).
- Keeping Records (Book-keeping).
- Insurance – e.g. premises, personal, public and PRSI.
- Pricing your service or product.
- Marketing / Advertising / Promotion.
- Collecting Debts.
- Employing Staff.

## **KEYS TO SUCCESS**

**15 things you must do if your business is to succeed: (Brian O'Kane, Oak Tree Press, 2006)**

- Know who you are.
- Know what business you're in.
- Know where you are going.
- Know what's important to your business's growth.
- Know your customers – research your potential markets comprehensively.
- Position your business carefully.
- Maximise the value of your brand.
- Understand your business model.
- Understand your financials.

- Build a network of people who can add value.
- Constantly innovate.
- Empower others.
- Develop management skills.
- Enjoy yourself!

## RESOURCES

### **Web**

TUDublin Hothouse	<a href="http://www.dit.ie/hothouse/">www.dit.ie/hothouse/</a>
Business Access to State Information & Services (‘Starting a Business’ section)	<a href="http://www.basis.ie">www.basis.ie</a>
Enterprise Ireland	<a href="http://www.enterprise-ireland.com">www.enterprise-ireland.com</a>
Department of Business, Enterprise & Innovation	<a href="http://www.djei.ie">www.djei.ie</a>
Citizens Information (employment section)	<a href="http://www.citizensinformation.ie">www.citizensinformation.ie</a>
Prospects (self employment)	<a href="https://www.prospects.ac.uk/jobs-and-work-experience/self-employment/how-to-start-a-business">https://www.prospects.ac.uk/jobs-and-work-experience/self-employment/how-to-start-a-business</a>
The Digital Hub	<a href="http://www.thedigitalhub.com/">www.thedigitalhub.com/</a>
Guinness Enterprise Centre	<a href="http://www.gec.ie/">www.gec.ie/</a>
Dublin Business Innovation Centre	<a href="https://www.dublinbic.ie/">https://www.dublinbic.ie/</a>
Shell liveWIRE	<a href="https://www.livewire.shell/">https://www.livewire.shell/</a>
InterTrade Ireland	<a href="http://www.intertradeireland.com">www.intertradeireland.com</a>
Invest Northern Ireland	<a href="http://www.investni.com">www.investni.com</a>
Enterprise Northern Ireland	<a href="https://www.enterpriseni.com/">https://www.enterpriseni.com/</a>
Forbairt – Enterprise for the Irish language community	<a href="http://www.udaras.ie/en/forbairt-fiontraiochta/earnalacha/">http://www.udaras.ie/en/forbairt-fiontraiochta/earnalacha/</a>
Immigrant Council (Self-employment - Migrants)	<a href="http://www.immigrantcouncil.ie">www.immigrantcouncil.ie</a>
ISME Irish SME Association	<a href="http://www.isme.ie">www.isme.ie</a>
Irish Business Employers Confederation	<a href="http://www.ibec.ie">www.ibec.ie</a>
Business Planning Aids	<a href="http://planware.org">http://planware.org</a>
Institute of Public Administration (IPA)	<a href="http://www.ipa.ie">www.ipa.ie</a>
International website for entrepreneurs	<a href="https://www.micromentor.org/home/?gclid=CK66mrSYgNECFUW4GwodQ8ECtA">https://www.micromentor.org/home/?gclid=CK66mrSYgNECFUW4GwodQ8ECtA</a>
US web resource for entrepreneurs	<a href="http://www.entrepreneur.com">www.entrepreneur.com</a>

### **Publications**

New Venture Creation in Ireland: Cooney, Tom & Hill, S, Oak Tree Press 2002  
 Starting a Business in Ireland: O’ Kane, Brian, Oak Tree Press, 2003  
 Sources of Funding for Ireland’s Entrepreneurs: Hegarty, Cecelia and Frederick, Howard, 2006  
 Available from [www.amazon.com](http://www.amazon.com) and [www.lulu.com](http://www.lulu.com)  
 Peel Your Own Orange: Murphy, Brigitte, The People House Productions, 2010  
<http://www.peel-your-own-orange.ie/>

### **Assess your Entrepreneurial Aptitude**

Entrepreneurship self assessment quizzes:

<https://www.bizmove.com/other/quiz.htm>      <http://www.humanmetrics.com/entrepreneur>

