

FINANCIAL TIMES **Guides**

# BUSINESS START UP

**2021–2023**

THE MOST COMPREHENSIVE  
GUIDE FOR ENTREPRENEURS

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**FT Guides**

## BUSINESS START UP

*The Financial Times Guide to Business Start Up* is your essential guide to starting and running your new business. Taking you quickly and simply through the essential information on finance, tax and law, it will also guide you safely through the minefields of recruitment, marketing, sales, pricing and everything else an entrepreneur must tackle in order to succeed. This fully updated edition provides you with ideas, solutions and key references on a wide range of crucial topics, showing you how to:

- Develop your business idea
- Write a winning business plan
- Raise finance for start-up and growth
- Decide where you should locate your working space
- Create an engaging online presence
- Sell and market your business successfully
- Advertise online and use social media effectively
- Increase profitability and achieve growth
- Save money through sustainable practices
- Deal with the latest legal changes

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**THE FINANCIAL TIMES  
GUIDE TO BUSINESS  
START UP 2021/23**

- 4 Check that the name you prefer is not used by another product or business in the same or a similar market. (There is no automatic search for similar names when you seek to register a trade mark, but anyone already using a similar name can apply to block your registration.)
- 5 Avoid initials: it is difficult in the short term to create a comfortable feeling about a business or product with initials.
- 6 If you think that some of your business will come through alphabetic listings, choose names beginning with A.
- 7 Check that the name you choose does not mean anything nasty in a foreign language (for example, use translate in Google or check online). If you are interested in selling worldwide, consider whether your proposed name is suitable.
- 8 Very complicated words need careful consideration. If a customer has to ask you to spell the word when it is first mentioned, this can be a positive reinforcement for recognition in future. But if it is just too difficult, it may be a disadvantage.
- 9 Finally, ask yourself if the name seems right for the image you want to project.

## What the law says about names

With a limited company or a limited liability partnership (LLP) (see p. 65), you will not be allowed to register names that:

- are considered the same as that of an existing company or LLP. You can check this by looking at the index at Companies House\*.
- contain 'limited' or its equivalent anywhere else in your company name but at the end.
- could be considered offensive or illegal.

And you're unlikely to be able to register a name that could give the impression of a connection with the government, the devolved administrations, a local authority or other public authority. There is also a range of words that require the agreement of the Secretary of State or various other bodies before you can use them. Examples are Abortion, British, Charity, Royal, Windsor, National and English. There are around 145 of these words altogether. There are other rules about company and LLP names, so advice from your solicitor\* would be

helpful. Guidance on names for companies and limited liability partnerships is available from [www.gov.uk](http://www.gov.uk), 'Choosing a name for your company, partnership or business'.

If you are a sole trader and want to use a business name other than your own surname, there are certain rules you have to observe, and the same names which are prohibited or sensitive for company or LLP use (see above) also apply in this context. You are not required to register your business name anywhere, but you must disclose your own name in various ways. You must put your own name and address legibly on all business correspondence, on written orders for goods and services, on invoices and on written demands for payments of debts. You must display your name and address prominently at your business premises or at any place to which your customers and suppliers have access. And if anyone with whom you are discussing business asks you to disclose your own name and address, you must do so immediately in writing.

If you are going to trade under a name that is not your own, consider registering it as a trade mark (see p. 114). You won't be able to register a name that is descriptive of your product or service (because this would be too restrictive for other businesses), but if you choose a name that is made up or unusual you may be able to do so. And registering it as a trade mark would give you some sort of protection for the investment you are making to build a brand image.

If you will be trading under your own name, you could still apply to trademark it. This might be especially worth doing if you have built up a reputation that would enhance the image of your business – say, you are a sports personality selling sports equipment.

## Building your reputation

Once you have selected your business or product name, your next strategy is to devise a means of getting your name noticed by as many of your target customers as you can. Obviously, you do not want your name to be associated with any bad news, so you may find that you do not want to take up every opportunity to publicise your business name. What you should aim for is that your business or product name comes instantly to mind in your potential buyers, but with a favourable impression.

## Your own web site

Having your own web site is often the single most important way for small businesses and the self-employed to create some type of image about themselves. Setting up a web site is usually a key step in starting a new business, and an effective web presence can be a vital marketing tool. Despite this, you should always ask yourself what the benefits would be. These could include:

- increasing sales by allowing customers to buy online;
- keeping ahead of the competition with a professional online presence;
- reducing costs by removing some of the overheads;
- attracting more customers by promoting a positive brand image;
- encouraging interaction and feedback with your customers.

Your web site is more important than your real-world location as you can buy and sell from all over the globe. E-commerce transactions can occur at any time on any day of the year, and the costs of operating online may be considerably cheaper.

Even if you don't use your web site to generate online sales it can still help to promote your brand. Your web site may be the first point of contact that many potential customers and suppliers have with your business. It acts as an online brochure and is constantly updateable and accessible from anywhere in the world. This makes it a vital marketing tool and, whether you opt for a simple web site that just provides basic information and contact details or a professionally designed site packed with information, it is essential that you get it right.

The question of what you want your web site to achieve will have a big impact on the design and how much you need to spend on it. If you have a limited budget and some experience in this area, you may decide to save money and design it yourself. This could be feasible if you just want a basic web site, but is likely to be a false economy if it is going to be an important part of your business. Think about it in the same way that you would any other investment and try to estimate whether it will generate an adequate return.

An expert web designer will do all this for you and will help you define, design and deliver a site that is tailored to suit your customers. They can also work with you to improve the content, structure and image to make sure



that your web site effectively translates your brand to the World Wide Web. There are hundreds of web design companies to choose from, and the cost can be anything from a few hundred pounds to many thousands of pounds depending on what you want. The UK Web Design Association web site says you can search amongst 10,000 registered designers to find the one you want.

The branding on your web site should be an extension of the branding on your product, invoices and so on. Ideally, the domain (the site name or URL) should be the name of your product or company to strengthen your branding still further. Web site names are registered with Nominet UK. See p. 131 for ideas on how to maximise the number of people who visit your web site.

You will also need to find a company that will host your web site. If you use a web designer, they should be able to advise you on this, or you could use the same company that you bought your domain from. One important point to consider is how much web traffic you are expecting. Each of your online visitors will download a certain amount of data and, if your site contains a lot of images or videos, then you'll probably need a package with a higher bandwidth limit.

## E-mail communications

One of the advantages of having your own web site is that it gives you the opportunity to communicate with existing and potential customers. If a customer has bought items online from you in the past then you may already have their contact details and their permission to use them. Alternatively, you could allow online visitors to register an interest so that you can get in touch with them about new products and special offers.

Make sure you comply with all the rules about getting consent, offering opt-outs etc. The Information Commissioner has useful guidance,<sup>1</sup> including an assessment checklist for small business owners.

The rules and regulations surrounding the use of brought-in lists are complex and it probably doesn't make much commercial sense to go to the expense of doing this. If you want to try it, best to take expert advice.

An e-mail should communicate your brand and you should create a template so that every e-mail you send is formatted in the same way. This should include your logo and use the same colours and fonts as your web site so that

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<sup>1</sup> <https://ico.org.uk/for-organisation/business>

your brand is consistent across all the different types of media. You may be able to do this yourself using your e-mail software, otherwise your web designer should be able to help you. There are also online services that specialise in this area (see p. 134 for more information about e-mail marketing).

## Labels and stickers

If you can see any opportunity for using labels and stickers on your products, seize it. These can also carry the message you want. There must be continuity with your chosen branding: colour, style, typeface and logo. In a shop, you might consider having price stickers. On garments or other material items such as rugs, tableware and so on, labels should be sewn in.

## Packaging

The package says lots about the goods, so take the opportunity to reinforce the message you are sending to customers. The style of the packaging should be consistent with all the other items for promoting your image, and with your chosen image itself. Packaging is an extension or even an integral part of your products.

## Other ideas

These can all help to build your reputation:

- advertising;
- public relations;
- appearance of salespeople;
- how you answer the telephone;
- vehicles: their cleanliness and livery – i.e. the colour or markings on them.

## Summary

- 1 People buy particular products for rational and emotional reasons.
- 2 You should aim to create a ‘good feeling’, a brand image, a reputation, about your product among customers. Make sure that your product can live up to this.

- 3** Industrial or unique products still need brand images.
- 4** Analyse your market and customer requirements to decide on an image.
- 5** A business or product name will be built up over the years to summarise what your image is all about.
- 6** If you can afford it, have a logo designed for you.
- 7** Try to encapsulate as many pleasant (or positive) associations in your name as you can.
- 8** Your own web site is the single most important way for small businesses and the self-employed to create some type of image about themselves.

## Other chapters to read

**3** 'Who will buy?' (p. 21); **7** 'Getting ready to start' (p. 57); **12** 'Getting the message across' (p. 129); **13** 'Getting new customers' (p. 149); **14** 'Building customer relationships' (p. 167); **17** 'Professional back-up' (p. 207).