

How To Organize A Small Business Start Up

A small business start up marks the beginning of the business which is categorized in small business. A small business can be corporation, partnership or a proprietor owned with a small amount of manpower and funding. In America, a small business start up comprises of less than 100 employees, whereas in UK it has less than 50 workers. In countries like Australia, a small business start up begins with 1-19 employees. A small business start up is identified by its small investment, small turnover and profit and less manpower.

The smallest business start up can begin at home which are termed by the World Bank as Micro-businesses. They usually have manpower of less than 10 employees. Higher versions of small businesses can be general stores, lawyer practice, clinics, private agents, restaurants, free-lance writers and small-scale manufacturing industries.

Advantage of a small business is that it requires less investment. The working hours of such a venture is also less and requires smaller work area. They have a closer relationship with their customers and clients. They are highly independent and flexible to the changing market. Disadvantage of such a small business start up is the high risk of bankruptcy. In absence of strong financial back-up, the business may go into heavy losses, resulting in legal action against the proprietor in case of loan taken.

A small business start up should follow the below mentioned methods for greater success:

Formulating a business plan

For any small business start up, a well defined plan is a must. The final objective of the business should be precise and clear. The requirements should be formulated and the money to be invested should be prudently calculated. Almost equal amount of money invested should be available for back up in case of heavy losses incurred. The amount of man power required and their required qualification and skills should be decided.

Implementation of the Plan

The business plans made initially should be implemented and all objectives set should be achieved. Financially, loans should be taken if self financing is not possible. Most of the banks provide loans for businesses. It is easier to obtain loans for partnership ventures. After the principle amount is obtained, the hiring of man power is done. This is followed by purchasing of all commodities needed for the business to start. The small business start up can now function fully.

Getting customers and Marketing

Getting the right customers is the key to success for all small business start ups. Doing a small research on the market trends and customer needs helps in changing the business strategy for higher profits. Marketing the product of business to the target customers is optional, depending on the type of product. Marketing for a small business start up can be restricted to pamphlets, news papers, and small hoardings.

Expansion of business

Upon attainment of the set objectives, the small business can increase its investments, manpower and productivity. This can be achieved if the small businesses start up earned considerable profit. This can expand the boundaries of the business and reach to a larger group of customers to increase the profit margin.

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