

Te Arataki Pakihi

Business Startup Guide



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Often the most successful business ideas are the simplest ones, like identifying a gap in the market that can be filled with a new product or service or adapting and improving an existing business idea.

There is a crucial difference between a good idea and a smart commercial idea - one that is profitable. The Central Economic Development Agency's (CEDA) team of Business Growth Advisors are here to help and support businesses of all sizes in the greater Manawatū-Whanganui region to grow and innovate by offering advice and connections to resources, business mentors, training and development.

When you're beginning your business journey there is a wealth of online resources, tips and advice, but it can be overwhelming knowing where to start and what path to follow.

This Business Startup Guide provides an ideal starting point with all the information you'll need, in one place, to help you to turn your business idea into a reality.

Take some time to explore CEDA.nz too, it's a one stop shop of information, resources, and local data and insights.

You're on an exciting journey, and we are here to help you find all the tools and resources you will need along the way.

Getting Started

There are three key areas to focus on when beginning a business. This guide is broken into three sections to walk you through the important steps and show you where to find additional resources that may be helpful.

- 1 **Te Pakihi Tū Roa**
Viability
- 2 **Te Rangatōpū**
Structure
- 3 **Te Arataki**
Strategy

Ka rite koe ki te tīmata I to ake pakihi?

Are you ready to start a business?

| | |
|--|---|
| | <p>You are prepared to work long hours and have resilience to ride out the lows A big part of starting a business can be dealing with things that you are not passionate about</p> |
| | <p>You have identified a gap in the market What problem are you solving, is there a big enough market for what you are offering to sustain a business long term</p> |
| | <p>You know all the competitors in your market, including what and how they offer their product or service to customers How is what you are offering different</p> |
| | <p>You can articulate who your target market is Drill this down from 'everyone' to be more specific</p> |
| | <p>You know where to reach your target market and how they want to interact with your business What kind of online presence do you need, do you need ecommerce, if you need to be customer facing and/or on social media, blogs, newsletters</p> |
| | <p>You have a marketing plan to reach your target market based on your research Are you contracting this out to experts, do you have someone on your staff to do this, are you doing this yourself, what resources do you need to follow through with your plan</p> |
| | <p>You have done your true costing and know the margins you will make in each product/service How much do you need to sell to meet all your outgoings, including wages before you make a profit</p> |
| | <p>You know who are the key people you need and you have clear definition of who is responsible for what Do you need employees or contractors, have you sorted employment contracts and job descriptions, what is your role, who are your suppliers and distributors, who is your accountant</p> |
| | <p>You have the funds needed to start your business What infrastructure do you need to purchase (computers, software, packaging, products, vehicles), have you got back up funds to draw on until your business gets established and starts making a profit.</p> |

If you ticked yes to all of the above - you may be ready to take the step into business ownership. If you have a few no's - spend some more time researching and planning before jumping into business ownership.

1 Te Pakihi Tū Roa Viability

Developing your idea into a business

Market research

Knowledge is power. When it comes to business, the more you know the better you'll do. Knowing who will buy your product or service and what motivates their purchasing decisions is vital to the success of your business.

The best way to start is by talking to people and asking some fundamental questions: don't just ask friends and family, talk to new people, use discussion groups or online research on competitor products or similar industries.

Here are the steps you'll need to work through:

- Who is your customer and where are they?
- Can you sell your product or service via several sales paths - e.g. online, instore, through a third party?
- How many people will be interested in what you are offering?
- Would your customers be prepared to pay at the price you are likely to sell? Ask your target customers.

To assist you with information for your target market, you may find useful data, insights and tools on StatsNZ and regional data on Manawatū and Palmerston North at [CEDA.nz](https://ceda.nz).

StatsNZ's [Data for Business](https://statsnz.govt.nz/data-for-business) section can help you to find customer or industry data for your business, and its Market Mapper tool can help you to find

where your customers may be by allowing you to select variables such as age, income, and family type to find the areas where your customers may live.

You could also connect with relevant industry associations who can give you specific insights, such as [Hospitality New Zealand](https://hospitalitynz.org) and [Tourism Industry Aotearoa](https://tourismnz.org) or others that relate to your business, or sector.

Research your competitors

Knowing about your competitors is an important part of developing your own brand and

the reason why people would choose your business.

What advantages could they have over your business? Look on the internet, social media platforms and visit their premises as research for your own brand and business.

Here are the steps you should try to identify:

- Who are your competitors?
- Where are they based?
- What is their estimated market share?
- What are their pricing and marketing strategies?
- What are their value propositions?

Value proposition - develop

your unique selling point

Your unique selling point (USP) differentiates your product or service from what others offer. It's the reason people buy from you and not another business, so it must be clear and well defined.

Look at what makes your product(s) or service(s) stand out from the crowd.

These could include:

- More affordable or economical
- More appealing
- More practical or easier to use
- Lighter or better made
- First to market
- Flexible service or personalised options
- Higher quality
- Eco-friendly

Brand name/Intellectual property (IP)

Once you have decided on a name for your company, business or service, you'll need to register it on the New Zealand Companies Office.

ONECheck is a resource available via the business.govt.nz website and will check if a name is already registered as a company name, trade mark, domain name or social media account, and offer insights on the importance of each of these. ONECheck also helps to connect you with the next steps for securing and protecting your brand in these areas, if you decide this is right for your business.

If your product or business involves research and development, talk to CEDA about protecting your ideas, intellectual property, concepts and developments.



2 Te Rangatōpū Structure

Establishing your foundations and framework

Business structure

Choosing your structure is an important part of starting a business. You can use the [business.govt.nz](#) tool to help or seek advice from an accountant.

Businesses commonly use one of the following structures:

Sole trader

The business is part of your personal finances and you're responsible for all income and losses.

Company

The business is a separate legal entity with one or more owners. Losses are not usually held against owners.

Partnership

You and your business partners share the personal responsibility for income, losses and control of the business.

Māori Trusts and Statutory bodies

As defined by Te Ture Whenua Māori Act 1993.

Contracting

Being a contractor means you are self-employed and are responsible for paying your own tax.

Tax obligations

These can be different depending on what business structure you choose.

Inland Revenue has a [Smart Business Guide - IR320](#) available, which is an easy to follow guide that can help you with:

- What records to keep and suggestions of how to keep them
- Cashflow forecasting and time management
- Basic tax responsibilities
- Services you may need

Kaitakawaenga Māori is a department of Inland Revenue for any Māori individual or organisation in business, which can help you with:

- One-on-one tax advice and information
- The taxes you need to know about
- What records to keep
- How to complete your tax returns
- When to file returns and make payments

We also suggest all new businesses attend Inland Revenue's free [Introduction to Business](#) seminar to help you get things right from the beginning.

To find out when the next seminar or workshop is taking place near you, go to [ird.govt.nz](#).

Compliance

Health and Safety

Think about your business and the risks. It is vital that you treat health and safety as part of your day-to-day business. The greater the risks you may have, the more vigilant you may need to be.

To find out the legal requirements you and your business must follow, there is information on [worksafe.govt.nz](#). You may like to try out the 'Compliance Matters' tool on [business.govt.nz](#) and the [SafePlus Health and Safety self-assessment tool](#).

Licenses and registrations

Check with your local council if you require a license or need to register to run your business.

Examples of when these may be required:

- Selling food
- Health and beauty premises
- Sale or supply of alcohol
- Mobile trading business, e.g. selling from a truck

If you are preparing or selling food, you can use the [Ministry for Primary Industries \(MPI\) "where do I fit" tool](#) on their website under food safety.

Insurance

To decide what type of insurance you might need, information is available from the Insurance Council of New Zealand website [icnz.org.nz](#). You can also consult an expert like a broker or your bank.

Examples of insurance include:

- Property/Asset
- Premises
- Liability
- Interruption to business

How you'll fund your business

Funding options could include:

- Your own savings and then using profit to scale up
- Bank loans
- Friends and family
- Finding a business partner
- Crowd Funding
- Capital investment
- Angel investors

It is really important to make sure you have a strong business plan before approaching various investors.



Te Arataki Strategy

Creating a business plan

You have done all the ground work collecting and analysing your potential idea and business, now it's time to pull all this information into a working document, that will be the basis of everything you do.

There are lots of traditional Business Plan templates available online for you to work through. Your business plan will contain everything about running and growing your business in a lot more detail. [Business.govt.nz](https://business.govt.nz) has a simple and easy to follow Startup Business Plan template, which you can download from the website.

Another option is a Business Model Canvas. This tool is a one page overview, bringing together everything you have learnt from what your unique selling point is (your value proposition) through to who your customer is, what they want, how you will get it to them and at what cost.

You can find a Business Model Canvas on the following page.



Marketing your product(s) and service(s)

Once you know who your target customer is and why they'll buy from you, you need to ask yourself, how will you attract them to your business?

Marketing tools may include:

- Websites
- Social media (Facebook, Instagram, LinkedIn, Twitter)
- Email newsletters
- Print – newspapers, magazines
- Industry groups and their online platforms

You can find a free marketing plan template at [CEDA.nz](https://ceda.nz) to help you get this information into an action plan. Ensure everything that you do is centered around the research you have done, which will enable you to price and promote it correctly for maximum impact.

Place and premises

Based on the research you have completed, you now need to decide where you and your business should be to connect with your customers.

This could be:

- Online
- With a distributor or stockists
- In your own shop
- Mobile
- In a shared space with another business
- A mixture of some of the above

Remember to check zoning of where you plan to run your business from, ensure your business can operate from there. Approach your local council, to help you with this.

Next steps

If you're looking for more information or further support on growing your business, get in touch with CEDA's Business Team and attend a free CEDA Startup Workshop.

We are here to connect you with the resources, tools, training and development to help your business grow and succeed – we look forward to working with you.



Business Model Canvas

Business Name _____

| | | | | |
|--|---|--|---|--|
| <p>Key Partners 9</p> <ul style="list-style-type: none"> Who are our key partners? Who are our key suppliers? Which key resources are we acquiring from partners? Which key activities do partners perform? | <p>Key Activities 4</p> <p>What Key Activities do we require for our:</p> <ul style="list-style-type: none"> Value Propositions? Our Distribution Channels? Customer Relationships? | <p>Value Propositions 1</p> <ul style="list-style-type: none"> What value do we deliver to the customer? What customer's problems are we helping to solve? What bundles of products and services are we offering? Which customer needs are we satisfying? | <p>Customer Relationships 3</p> <ul style="list-style-type: none"> What type of relationship does each of our customer segment expect us to establish and maintain with them? How are they integrated with the rest of our business model? How costly are they? | <p>Customer Segments 2</p> <ul style="list-style-type: none"> For whom are we creating value? Who are the most important customers? What are your customer demographics? |
| <p>Key Resources 8</p> <p>What key resources do we require for</p> <ul style="list-style-type: none"> Value propositions? Our distribution channels? Customer relationships? Revenue streams? | | | | <p>Channels 5</p> <ul style="list-style-type: none"> What distribution channels will our customers purchase from? e.g. Online ordering Which ones are more cost-efficient? |
| <p>Cost Structure 7</p> <ul style="list-style-type: none"> What are our fixed costs? e.g. rent What are our variable costs? e.g. materials | | | <p>Revenue Streams 6</p> <ul style="list-style-type: none"> What are our customers really willing to pay? What do they currently pay? How would they prefer to pay? How much does each revenue stream contribute to overall revenues? | |

Index of websites with resources and support

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|--|--|
| Central Economic Development Agency (CEDA), Manawatū | ceda.nz |
| Regional Business Partner Network | regionalbusinesspartners.co.nz |
| Business Mentors New Zealand | businessmentors.org.nz |
| Government Business Portal | business.govt.nz |
| Ministry of Business, Innovation & Employment | mbie.govt.nz |
| New Zealand Trade and Enterprise | nzte.govt.nz |
| Callaghan Innovation | callaghaninnovation.govt.nz |
| New Zealand Companies Office | companiesoffice.govt.nz |
| Stats New Zealand | stats.govt.nz |
| Te Puni Kōkiri | tpk.govt.nz |
| New Zealand Intellectual Property Office | iponz.govt.nz |
| Insurance Council of New Zealand | icnz.org.nz |
| Inland Revenue | ird.govt.nz |
| SafePlus | online.safeplus.nz |
| Worksafe | worksafe.govt.nz |
| Employment New Zealand | employment.govt.nz |
| ACC | acc.co.nz |
| New Zealand Chambers of Commerce | newzealandchambers.co.nz |
| Manawatū Business Chamber | manawatuchamber.co.nz |
| Women and Business | womenandbusiness.co.nz |
| The Factory, Manawatū | thefactorynz.co.nz |
| Ministry for Primary Industries (MPI) | mpi.govt.nz |
| New Zealand Business Number | nzbn.govt.nz |
| Whanganui & Partners | whanganuiandpartners.nz |

Notes:

The Central Economic Development Agency (CEDA) exists to drive and facilitate the creation and growth of economic wealth in Manawatū and beyond.

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