

## **STEPS TO STARTING UP A BUSINESS**

### **STEP1: ENTREPRENEUR**

*Setting up a business depends on various Factors: internal and external, determinants or influential in the outcome of an entrepreneurial initiative issues.*

*One of the factors is the entrepreneur himself; he will have a central role in the development and transformation of his business idea for the transmission of his charisma, motivation and personal qualities. It is crucial for him to be aware of his strengths and weaknesses as also a level of competence appropriate to the demands of the entrepreneurship that will be developed.*

*He may use gathered professional experiences and intensify what is considered essential to start and booster his business, because the chances of success depends of his stronger motivations.*

*To sum up, the bet on an assessment of promoters entrepreneurial skills is critical to the success of projects for starting up businesses.*

### **STEP 2: FINDING, DEVELOPING AND PROTECT AN IDEA.**

*The development / creation of a company is generally interconnected, to a business idea. The creation works as a guidance to the business plan development.*

*In the absence of this, the entrepreneur can always select one of which is associated to its professional qualifications and experience acquired, which may serve as frameworks of reference to several panoramas and business activities. Such as well he may use ideas from others (franchising), or follow its professional activity on his own account.*

*There is necessary the existing of a framework of an idea accordingly to the socioeconomic surrounding and creativity. For the first one there exists a serial of deepening components essential such as everyday life, data research, consulting recourse (BDE) startups case studies and for the second making use of several components as brainstorming and use of a attributes list of products and services in order to instill improvements.*

*Some product or services creation must be legally protected, by its originality and innovation, giving them copyright tributes for use of its technical information, commercial and industrial, which have the designation of **Industry Property Rights**.*

*The industrial property registration includes costs, materialized in the payment of periodic taxes, within the legal terms, in way to keep its validity.*

*The competent authority is the **INPI - National Industrial Property Institute** and the application for registration can be submitted online or by mail to the address:*

*INPI - National Institute of Industrial Property  
Serviço de Atendimento – Campo das Cebolas*

1149-035 – Lisboa  
Tel: 21 881 81 00 / Fax: 21 886 98 59  
Blue Line: 808 200 689  
Email: [atm@inpi.pt](mailto:atm@inpi.pt)  
[www.marcaspatentes.pt](http://www.marcaspatentes.pt)

### **STEP 3: THE LEGAL, ECONOMIC AND SOCIAL ENVIRONMENT**

*The legal, economic and social environment is determinant for the development of the business idea, therefore is appropriate that the prosecutor, before leaving to action, must be aware of all types of support and important information for his business.*

*From the idea to setting up a business there is a need to contact a group of entities whose activities and assignments fits into the creation of a business process.*

*One of the key tools is the economic, legal or statistical technician information for a new enterprise development.*

*Tavira has a set of infrastructures adapted to the requirements and needs for future entrepreneurs, which are:*

*- **Level Up** - structure created considering the economic and social development of the region by providing potential entrepreneurs a range of services and information about new business needs, including:*

*\* Information about possible financial support for projects, that can be offered by conventional banking, venture capital, business angels, several programs provided by the government, among others;*

*\* If idea is viable, expose the promoters all legal formalities for their business set up.*

*It works not only as a business center, which aims to stimulate and increase the chances of success and leverage additional job opportunities of established firms, but also as a business incubator fostering the promotion, consolidation of entrepreneurship and business creation by increasing their potential providing them an adequate infrastructure;*

*- **PET** – Tavira Business Park is a platform for industry, storage, shops and services and has been designed to provide the height in quality, functionality and suitable capacity for anyone looking for invest.*

*All business association has a crucial contribution regarding the resolution of problems that each promoter / entrepreneur faces and will stand for and make pressure over thirds in way to deal with the external constraints, facilitating the access to information, promoting essential conferences and workshops organization necessary to the development of their activity.*

#### **STEP 4: EXTERNAL ENVIRONMENT AND THE MARKET STUDY**

*The know-how from external factors exploitation makes promoter developing conditions in way to enhance concretization, modification or even give up from project and embark over a new path.*

*As such, to establish idea implementation, the entrepreneur will have to execute a market study and define who will be future suppliers, target clients, competitors, legislation and institutions, i.e., all surroundings necessary to foment his business. Only this will allow entrepreneur to evaluate the viability of his project.*

#### **STEP 5: A TRADE POLICY / MARKETING STRATEGY**

*The entrepreneur must define a trade policy for selling his product or service. To achieve that, he will have to elaborate an strategy marketing capable to provide a market feasible impact, trough a marketing-mix plan, considering the 4 P's, crucial for the marketing strategy, namely:*

- 1. **Product** - The more innovative better, because innovation works as a successful engine for new businesses;*
- 2. **Price** - Sign profitability and competitiveness, assign a price to consider viable and competitive;*
- 3. **Place (Distribution)** - Making a market segmentation, studying the consumers characteristics directing them to the product;*
- 4. **Promotion** – crucial tool for launching product / service, since all communication should be taken and directed to its target audience on a qualitative and quantitative way, because the more explicit is the concept better it will be the adaptability.*

*These mechanisms will allow the choice of various scenarios and conditions for the business competitiveness.*

#### **STEP 6: THE BUSINESS PLAN**

*This is the moment when entrepreneur write down the idea, using all the information gathered so far. The business plan should contain the following elements:*

- 1. Definition and implementation of objectives and how to achieve them;*
- 2. The opportunities and difficulties of the market;*
- 3. Business Strengths and Weaknesses;*

4. To verify the activity profitable and which are the financial, human and material resources necessary, to support the identification and discussion of financing;

5. Evaluate a new product line, promotion or growth.

The **personal information** on this step becomes crucial to identify persons who eventually wish to participate in opening its own business, transmitting their capabilities and personal qualities, degrees, professional experience and enjoy the opportunity to explain the reasons that take them to develop a business idea and which will be their functions within the organization.

In the business plan it is defined: the activity; the local and installations brief description where future company will be established; the prosecutor and employee's functions, identifies the company's legal form and name; all specific legal obligations and licensees and insurances; the company and future investors objectives; market strategies, i.e., identification of the consumers to be satisfied; if activity is profitable or not and starting date.

In the plan will be written down which are the resources necessities, namely:

- **Human Resources** - Partners and / or employees;
- **Material Resources** - Facilities, equipment and work tools, raw materials among others;
- **Financial resources** - own revenue, support and incentives, loans and financing.

In terms of **market orientation**, that must be defined and are as follows:

- **Clients** - potential consumers of the product / service, be aware of who buys, how much, when and the way they will be paying, location and schedule they use to go shopping;
- **Suppliers** – to know who will supply us with the raw materials or facilities necessary to the business premises, i.e., who are the providers, how much does it costs and payment conditions;
- **Competitors** – be aware about the direct competitors, in order to offer an innovative product at competitive prices, so you will need to know who sells the same products / services, prices and who their clients are;
- **Company, products and services image and promotion** - this means what the corporate image, he products and services disposable and what publicity to invest;
- **Product / service price** – define which is the better sail price considering all costs upon get it on the market, be aware of competitors prices and what price are the consumers willing to pay.

*An **Economic and Financial Analysis** is also performed, which aims to determine what are the necessary investments, costs and incomes, so, it is drawn up as follows:*

- **Investment Plan** - *a brief description of all investments made whether fixed tangible and intangible assets and the working capital required;*

- **Financing Plan** - *the necessary starting activity resources:*

- \* **Equity Capitals** - *savings, family loans, friends, lands, own vehicles among others;*

- \* **Debt financing** - *bank loans and financial supports.*

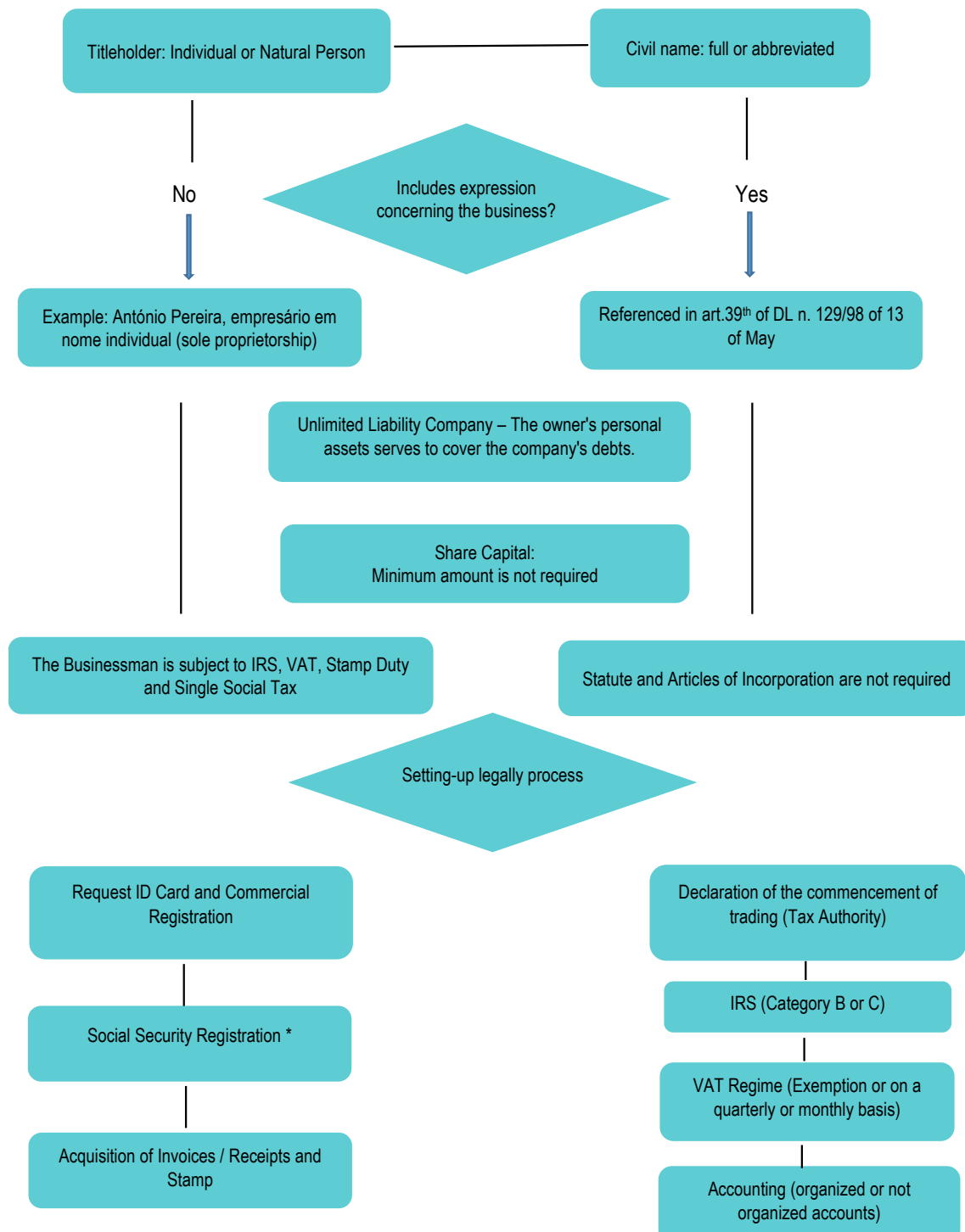
- **Activity profit-and-loss (Estimates)** - *regarding income / cash receipts Vs costs / payments;*

- **Activity's profit** – *the prosecutor must estimate of how much he foresee to profit with the business, if it is a profitable activity, calculate the best selling price considering all incurred costs.*

*In sum, a good business plan must be concrete and meets the goals and take into consideration 7 implementation phases per each strategy stage, define duties and deadlines for the business management. It is essential to be foreseen the implementation of periodic actions in order to proceed to adjustments and corrections, helping to save time and stress in future issues.*

## STEP 7: LEGAL CONSTRUCTION COMPANY

### 1- ESTABLISHMENT AND SETTING-UP LEGALLY A COMPANY: SOLE TRADER



## 2. ESTABLISHMENT AND SETTING-UP LEGALLY A COMPANY: JOINT OWNERSHIP

