

## 5 Things you must know before you start a Business

### INTRO

Starting a business is an exciting time, it's the future for you and all your hard work has got you to where you are today and to make the decision to start your own business. Well done you. Anyone can start a business, but the real skill is to grow it and this document will help set you off on the right foot. This document is primarily aimed at someone wanting to start a bookkeeping business but, there is a lot of info in here which will help anyone wishing to start a business.

### How to Start Right

#### Qualifications

If you are going to be helping your clients with their accounts and bookkeeping, it's important you have the right knowledge and qualifications to do so. What better way to get started than by registering for an Ofqual regulated IAB bookkeeping qualification? Our qualifications are designed to fit around your busy lifestyle or career. With a number of study options available you can start your journey into the bookkeeping profession and still maintain your existing commitments. IAB qualifications are created by our industry experts to give you the skills you need to establish your career or business, from learning the basics to qualifying as a fully-fledged, professional bookkeeper. Business owners trust and value IAB qualified bookkeepers in their businesses which allows them to develop and grow. IAB qualifications are regulated by Ofqual, QiW and CCEA, so you can be sure they meet specified quality standards. IAB qualifications are available from levels 1 to 4 offering a clear progression route as you develop professionally. With a range of study options and Approved Centres, IAB qualifications give you the flexibility you need to fit your study around your existing commitments.

#### Money laundering supervision

If you're planning on being self-employed you also need to make sure you have AML supervision. The Money Laundering Regulations (MLR) 2017 require that all bookkeepers in business providing services to the public must have anti-money laundering (AML) supervision in place. In addition to oversight of the practice by IAB to ensure legal compliance, Supervised members benefit from access to guidance, professional development opportunities and additional resources. The IAB is an approved 'Professional Body Supervisor' (PBS) for AML and members to whom the regulations apply, should activate AML supervision with IAB by applying for an IAB 'Certificate of AML Supervision' covering their practice. If you are already in practice, but have not yet taken up IAB membership, you should note that new members already in business as bookkeepers will, at the same time, need to register for AML Supervision to stay compliant with the MLR. Once registered you will either need to apply for an IAB 'Certificate of AML Supervision' for your practice OR (in circumstances where your practice) is already supervised by another approved professional body you will be required to apply for exemption from holding an IAB certificate. Members of a Professional Body Supervisor (PBS – such as the IAB) must receive

their AML supervision through their PBS. If you are a professional member, you must not renew your AML supervision via HMRC. If you have any questions about AML Supervision, please contact the IAB Membership team. Telephone: +44(0)208 1878 888 or email [membership@iab.org.uk](mailto:membership@iab.org.uk) where one of our team will be happy to help.

### Insurance

You've got the qualifications and are keen to get started but it's also important that you are fully covered. One of our trusted partners is Premierline.



**Get insurance from our partner**

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Premierline arrange insurance for bookkeepers that's tailored to your needs and work closely with trusted insurers to find the cover that's right for you. They understand the covers you need most, whether you work on your own or manage an office, they'll find cover that is tailored to your needs. So, if you need professional indemnity, public liability, employer's liability, office insurance or more, simply get in touch with them.

They make arranging your bookkeeper's insurance simple and hassle-free. Speak to one of their business insurance advisors to protect you and your business on 0330 102 6171.

### HOW TO ONBOARD CLIENTS

It's a great feeling when you have a new client starting. Increased business income. Acknowledgement that your business is growing and the general feel-good factor. But it's also important that you lay out some basic rules on how you work.

### Due Diligence

The purpose of Client Due Diligence (CDD) is to verify the client's identity and understand their business activities so that any Money Laundering and Terrorist Financing (MLTF) risks can be identified and managed. Effective CDD is at the centre of Anti-Money Laundering practice. Verifying the identity of the client and understanding the ownership structure of their business is necessary for compliance with Money Laundering Regulations (MLR) and enables the practitioner to decide whether the client should be accepted. The IAB can help support you with relevant guidance documents and AML Courses to help you onboard a new client. Some of the other items you need to cover with the client are the following.

### **Hours**

If your new client is paying you for a certain number of hours per month, then you need to consider how you will manage your time and communicate this with the client. Let the new client know on what days/times you will be working for them, and that they (the client) need to get the work to you by a certain day/time so you can work on it.

### **Clear times**

If you don't work at the weekend or after a certain hour of the day specify this. Set expectations early in the working relationship.

### **Email responses**

If you don't want to be bombarded by emails all the time, have an auto reply that lets them people know that you only check your email at certain times of the day or that you respond to emails within 24 hours or whatever time is best suited to your business.

### **Agreement**

Have a discussion with the client and agree what is to be expected from you and them. Agree the fees they will be paying, when and how you would like to be paid each week or month. Once agreed write it all down in a document and send it to the client to date and sign. If the client doesn't sign it then I would suggest not starting work before they sign and return it. A client not signing the agreement could be a sign of difficulties further down the line.

### **Terms and Conditions**

On your website you should have a terms and conditions section which you can direct your client to read. This may all sound rather strict and possibly a little uncomfortable, but it shows the new client that you are professional and outlines how you work and want to be treated and believe me, it will save you a lot of heartache further down the line if you get all the boxes ticked at the start of your working relationship.

## **DON'T NEED A CLEVER LOGO**

We live in a land of confusion and a sea of impatience. We flick through adverts, websites and TV programmes at lightning speed. We are blasted with thousands of promotional messages every day. So why do we think our little graphic logo will attract customers? Here are 5 reasons why you don't need a clever logo.

### **Reason 1 – We're not big enough**

We see the big corporates such as Nike, Apple, Amazon and Microsoft and we believe that to be like them we also need to have a prominent logo. Yes, we do but, these big guns have spent hundreds of millions of dollars educating us on what they do and what we get when we buy from them. This is called Brand Awareness Marketing.

**Reason 2 – We don't have the cash**

We don't have the kind of deep pockets these big boys have – but we do have something just as good, we'll get to that in a bit, so keep reading.

**Reason 3 – We don't have the time**

Using traditional Brand awareness marketing takes an awful lot of time, years in fact. If Nike were to take out a full-page advert in a National Newspaper and simply put their logo in the middle of the page, we would understand straight away who they are and what they sell. This kind of understanding doesn't just happen overnight. It takes years to build this kind of recognition and as reason 2, many millions of dollars.

**Reason 4 – We can't copy their style**

Because we have seen these brand awareness campaigns, we believe that we can do the same. We think that just by putting our logo on our marketing collateral such as leaflets, business cards and websites that surely everyone seeing our wares will understand what we offer and jump straight to the phone to make contact. Sadly, this doesn't always happen, if ever.

**Example**

If you're offering gardening services – tell them just that. E.g. 'For all your gardening needs call 07798 XXX XXX'. If you're a mobile hairdresser – again tell them instead of just having a nice logo and web address e.g. 'We cut your hair in the comfort of your own home'. So many businesses just don't do it and they are losing out and it's such a shame.

**Your marketing needs to work with or without you**

Be loud and proud and tell your prospective customers what you do and how you can help them. By all means have a nice looking graphic but, if that is all it is, you're losing out on sales. Your marketing needs to work with or without you. If someone picks up your business card / leaflet, it needs to be clear on what you offer. You shouldn't be there to explain what it is you do.

**Reason 5 - Your logo doesn't make your brand**

A logo is just like a door number. It differentiates one house from another, similar to your name. Your name doesn't tell me what you're like as a person and it doesn't tell me what you can do for my business or me. A brand is also like a personality and it's so much more than just a logo.

So, like a personality you need to develop more than just a nice looking logo. You need to take this across all of your marketing. Everything from how you write your emails to the outgoing message on your answer machine, from the way you interact with your clients to how your website looks and performs. Your personality consists of many things and it's the same for your brand.

In the old days to create an awareness of your brand took a lot of time and money, but now we have the wonderful world of social media. Using the likes of Twitter, Facebook, LinkedIn

and Instagram means that you can connect with people across the country and the globe easily. You can find your prospective clients and start creating relationships with them. In the days before this, it would have been out of reach of the small business owner, but not now. You can show your personal brand, create videos and really engage on a far more personal level than the big brands can. Make sure that your profile on these Social Media sites tell people what you offer and where they can contact you.

## UNDERSTANDING WHAT YOUR CUSTOMERS WANT

There are a lot of businesses out there that have a fantastic product or service but one of the reasons they fail is because they are not speaking to their prospective customers in the right way. You see we buy on emotion. We ask ourselves does this product or service fulfil my needs, will it make me feel happier, make me feel well fed, more secure, more at ease, less stressed, less pain etc. If you're providing a bookkeeping service for example then, the 'pain' your prospective customer is suffering with may be, frustration and confusion over their accounts, or lost not knowing if they can afford to grow their business.

The common mistake business owners make is they promote the business that just tells people what their service is. Using the bookkeeper example again. The promotion may be written like this

### **ABC Bookkeeping Services**

[www.ABCBookkeepingServices.com](http://www.ABCBookkeepingServices.com)

**01234 567 8900**

The text above doesn't tell us what 'pain' they solve. It just tells us they provide bookkeeping services, but if you don't know what a bookkeeper does then you're in the dark. If this bookkeeper for example specialised in helping people in the building trade, then what would work would be something like.

**ABC Bookkeeping Services – Helping people in the building industry with their accounts and payroll so they have more freedom to work on their business.**

Visit [www.ABCBookkeepingServices.com](http://www.ABCBookkeepingServices.com)

**or call 01234 567 8900**

You see the difference? It's important you speak their language and to do this the best thing to do is ask them. If you have a few clients already, send them a quick email letting them know you're doing a quick survey and would like to know what 'issues' you solve for them in their business. From their answers you can create new marketing and update the homepage on your website.

## EFFECTIVE WEBSITE DESIGN

Did you know when someone lands on your website, you have between 3 to 7 seconds to get your message across. Yes, it really is that short. So, it's important you don't waste any of their time. Get straight to the point. On the upper section of your website, which is the first area they will see before scrolling down, you need to have your message nice and clear. From the previous section you should be better armed as to what your prospective customer wants.



What's also very important is the call to action as you will have seen in the example. This is where you want your prospective customer to know what steps to take to make contact with you.

Tip: Never use the term 'For more information...' this implies they have a question. It's imperative that you make it simple for them. For example, if you want them to email you to book an initial call, then say exactly that.

To book an initial call email me on XXXXXXXXXXXX

Your website needs to look professional, but it also needs to be very clear as to what you offer. A confused buyer is a non-buyer so take any confusion away. In essence, keep your message simple and to the point. We hope you've enjoyed this guide and will find it a good support. Here at the IAB we'd like to wish you all the best success for your future.