

The business lifecycle: Start-ups

What are some of the key challenges facing entrepreneurs when starting their businesses?

It is vital that the company has the right business and tax structure at inception. At this stage, the company is unlikely to have any tangible value, which makes it easier to structure the company in an efficient way.

Firm milestones and objectives need to be set to monitor the performance of the business. A cogent and well thought through business plan will allow such focus.

Compliance is often overlooked, but getting it wrong can be an expensive mistake both commercially and financially. It is far better to have a good handle on all the accounting and legal requirements from the start, so that the business is on a firm footing.

Appointing the right professional advisers is vital to ensure you are kept compliant, and equally importantly, you receive the right professional advice to support you and enable your business to grow.

Financing is of course key and there are some favourable investor tax regimes such as Enterprise Investment Scheme (EIS) and Seed Enterprise Investment Scheme (SEIS) which should be considered when planning to raise finance, particularly during the start-up and early expansion phases.



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Choosing the correct systems early on

Operationally, it is expensive and time consuming to migrate systems once established.

Choosing the correct accounting and operational IT package is of critical importance and one should consider the likely needs of the business tomorrow as it grows in size, and possibly complexity, and balance this in the future against cost.





Manging the workforce

Finally, staffing and employee matters will challenge the entrepreneur from day one. Initially, there will be the running of payroll, auto enrolment pensions, employee contracts, and benefits reporting.

Common risks faced at inception by start-up businesses include incorrectly remunerating workers by treating them as self-employed, and not having systems in place to deal with poor employee performance. Selecting an external specialist payroll and HR service provider is often a wise option.

Enabling Change

As every year passes, the pace of change increases immeasurably. Seemingly well-established businesses can, with a sudden change of events, be prone to factors that can threaten their very existence. Yet such changes can provide agile and responsive businesses with considerable opportunity.

The real skill is balancing the competing demands on their time and energy, while enabling the business leadership to allow these changes to add value to the business, not simply viewing them as hurdles to overcome.

For more insights on Enabling Change, please visit our website [here](#).



Andrew Sanford
Partner
Audit, Assurance & Advisory

I +44 (0)20 7544 8921
E andrew.sanford@blickrothenberg.com



Milan Pandya
Partner
Audit, Assurance & Advisory

I +44 (0)20 7544 8738
E milan.pandya@blickrothenberg.com



a CogitalGroup company

16 Great Queen Street
Covent Garden
London WC2B 5AH

I +44 (0)20 7486 0111
E email@blickrothenberg.com
W blickrothenberg.com

