

STEP 6

Location, equipment, and supplies

Your business location

Choosing a business location is one of the most important aspects of starting a small business. The right location means everything. The wrong location can be a disaster. Businesses have closed all because of a poor location.

Below are analysis checklists for both a commercial and a home-based location. Consider the negative answers carefully. They are telling you something important about the location: either you can do something to change the negative aspect, or it is a complete deal-breaker that will compromise your business success, and it's time to look for a new location.

You might have the most exceptional and irreplaceable product/ service on earth, but if you are located in the wrong place and no-one comes to your business, it won't make any money for you. This is why it is so important to conduct a thorough business location analysis.

Commercial business location analysis

1. What does my business require from its location?
2. Does the location support my brand and image?
If "No", what can I change? Yes No

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| 3. Will the location appeal to my target customers?
If "No", is there anything I can change to make it appeal to them? | Yes | No |
| 4. Is the location convenient for my target customers?
If "No", is there anything I can change to make it more convenient? | Yes | No |
| 5. Is it easy to find?
If "No", what can I do to make it easier to find? | Yes | No |
| 6. Is parking close by?
If "No", is there anything I can do to make it more parking-friendly? | Yes | No |
| 7. If I have employees will they be able to get there easily?
If "No", what can I do to make it more convenient for employees? | Yes | No |

8. What other businesses are nearby? You don't want to be right next door to a competitor. But certain other businesses may attract customers for you.

9. Does the location give my business the potential to grow? Yes No
If "No", what can I do to give my business the opportunity to grow?

10. Is the location safe? Yes No
If "No", what can I do to make it safer?

11. Can I afford it? Yes No
If "No", can I negotiate? What else can I do to make it affordable?

12. What needs to be done to get the location ready for business? Cost

A home-based location

A home-based business will save you money but be sure to consider all aspects of the business. What impact will your business have on your family? What impact will your family have on your business? Will you be constantly disturbed? If you need to project a professional image, you can't have children running around or dogs barking.

Also consider the impact your business will have on the neighbourhood. Doing IT for clients won't pose a problem for anyone. But endless cars coming and going, customers streaming in and out, unacceptable noise, unpleasant odours, parking problems and other factors could cause complaints to be registered against you and force you to relocate your business.

The support of your family is essential if you want to create a successful home-based business so it's vital to fully involve them and take their opinions into account.

Home-based business location analysis

1. What does my business require from its home-based location?

2. Does it support my brand and image? Yes No
If "No", what must I change?

3. Does the location give my business the potential to grow? Yes No
If "No", what can I do to give my business the opportunity to grow?

4. Will I be able to run my business efficiently at home?
If "No" what must I do to change this? Yes No
5. Will my business have a negative impact on the rest of my family?
If "Yes" what can I do to change this? Yes No
6. Will my business have a negative impact on my neighbours?
If "Yes" what is the impact and what can I do to change this? Yes No
7. What needs to be done to get the location ready for business? Cost

The equipment and supplies you need

You need to determine all the equipment and supplies that your new business will need. The equipment and supplies you need are a major part of your start-up budget. You do not want to blow your entire start-up budget through not thinking this through carefully and buying everything you think you may possibly need. Conversely, you do not want to start your business and then realise that you don't have the right equipment and supplies – and now you do not have the money to buy them.

For these reasons, list *everything* you will need to run your business – right down to the folder you will keep receipts in. And make sure you list the stuff you already have, such as your cell phone, and the coffee mug you are planning to bring from home.

When it comes to equipment and supplies, there are the “must haves” and the “nice to haves”. Small businesses have a bad tendency to waste their funds on unnecessary “nice to haves” such as new laptops, the latest smartphones, etc. Unless you have unlimited funding, over-spending on the “nice to haves” will plunge your business into financial trouble before you even open your doors.

The equipment and supplies I need

Sourcing your equipment and supplies

No matter how small your business, if you're looking for funding then buying all your equipment and supplies brand new is out of the question. You need to be creative and resourceful. You will be absolutely amazed at how much you can get without spending a lot of money.

Funding is tough to acquire. When you approach investors for funding you will make a very positive impression when they see that you are thrifty and responsible and acquired a lot of your equipment and supplies through being creative and resourceful... rather than just asking for the money to buy it all.

1. What do you already have that you can use?

If you scratch around at home you might source a lot of stuff that would otherwise take precious funds to buy.

2. Buy used and shop around for the best prices

You can get excellent deals at second-hand shops, on Facebook pages and on the Internet. And it never hurts to bargain.

3. Reuse, repurpose and recycle

These days turning old stuff into new is the way to go! There are literally hundreds of ways you can reuse, repurpose, and recycle:

- Restore old furniture with a few repairs and a lick of paint.
- Other old furniture can be repurposed, such as painting old drawers and hanging them on the wall for display or storage.
- Pallet furniture can be stunning! Pallets cost next to nothing and with a little creativity can be turned into amazing shelving, chairs, display tables... pretty much anything.
- Repurpose items such as crates, wooden boxes, etc.
- Building sites usually have tons of materials that they send off to the dump.
- Big businesses often have old stuff lying in the back that they would love you to take away turn into something useful.

4. Ask around

Ask family and friends if they have anything they would be willing to donate to your business. See if any businesses might be interested in donating items (and it's always a good idea to ask for small items, not big expensive items).

Your furnishings must fit the image of your business. Old and tatty furnishings will give your business an old and tatty image. Creative and innovative furnishings will give your business a creative and innovative image.

Equipment and supplies you need to buy

Now that you have sourced as much as possible, list all the equipment and supplies you will have to buy. If you have been very resourceful the list ought to be reasonable. If it's a very long list... re-think the above step!

Do NOT guess on costs. The costs have to be 100% accurate or your budget will be nothing more than a nonsense document.

Equipment and supplies I need to buy

Item

Cost

TOTAL