

Best Business Practices (01/05/2017)

Web Article

<http://www.ccoienterprise.ie/business/article/10-essential-good-business-practices>

What are the 10 essential good business practices?

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Providing excellent services or making superior quality products are essential ingredients in a successful business. However, these alone do not guarantee success; they must be coupled with good business practices.

The following 10 essential good business practices should be the foundations of your craft or design business:

1. **Assess yourself:** Undertake a personal audit or self-assessment to identify your strengths and weaknesses. Work to your strengths and address your weaknesses – there is a great deal of help and assistance out there if you look. Recognise your reasons for becoming self-employed and be very clear about your objectives and goals.
2. **Surround yourself with a good team:** When you become self-employed, you become responsible for designing, producing, selling, customer care, financing, collecting bad debts, book-keeping, etc. But it is not essential that you undertake all of these tasks unaided. It may be more cost-effective to allow professional and experienced people in particular sectors to assume some 'chores' with which you are not comfortable and thus allow you the time to undertake those with which you are, paying for their work from the increased turnover you are now capable of earning.

3. **Assess your product:** Are you confident that your product is of a high quality in design and production? Are you confident that there is a market for it? Are you confident that your potential customers will pay the price you calculate necessary to meet your costs?
4. **Know your market and competitors:** It is essential that you know your market, as without this knowledge you cannot plan your route to market or the means of promotion you will use to inform your customers of your existence. It is also essential that you have a comprehensive knowledge of your competitors, as this knowledge will allow you to distinguish what the market will stand plus identify the gaps in the market.
5. **The ability to recognise opportunities:** Are you truly an entrepreneur? An entrepreneur will be studying the market and trends etc at all times and may go out on a limb (armed with good information) to seize an opportunity. All decisions should be taken based on information; knowledge is the greatest asset of any business.
6. **Costing and pricing:** This is one of the most difficult tasks you need to address. It is imperative that you know your break-even point: the number of units sold that will cover the costs of your raw materials, your overheads and your production time. Only when you know this figure (plus that of your competitors) will you be comfortable in the knowledge of how high or low your price may go.
7. **Good terms of trade and paperwork:** Everything leaving your 'studio' should be of a quality to promote you in a very positive manner. Your product should have good packaging, branding and promotional materials. Your invoices etc. should be clear and accurate and show concisely your terms of trade – how and when you expect to be paid; carriage – who pays it; breakages – who is responsible; reservation of title, etc.
8. **Keep clear records:** There is no mystery to book-keeping. It is nothing more than a filing system of the day-to-day transactions of your business. If you do not record and understand the transactions, your business will control you rather than you controlling it.
9. **Be tax-compliant:** It is a legal obligation to register for tax with the Revenue Commissioners when you commence self-employment. Registering for tax does not necessarily mean paying tax in the early stages of your business. It may actually result in a repayment – should a number of circumstances be in play – for example, you may be

paying PAYE on your employment while making a loss due to the investment in your craft business. Being able to claim the Artists' Exemption on certain products also may be a benefit to registration.

10. **Planning:** The key to a successful business is planning your project from day one. Planning is about making choices which should only be made on the basis of good information.

Tips

- You are a link in the chain of the business; form good relationships with other links.
- Be professional. You are the main asset of the business.
- Indecisiveness wastes time. Gain knowledge and make informed decisions.
- Getting finance is not easy. Acquire it wisely. Spend it wisely.
- You may have an excellent product but, if you are not getting adequately paid for it, you are not in business.
- Undertake market research. Know your competitors.
- Do what you say and say what you do.