



ANZ BUSINESS START-UP GUIDE

YOUR COMPREHENSIVE GUIDE
TO STARTING A BUSINESS

STARTING A BUSINESS

Many people are drawn to the idea of working for themselves as being your own boss offers the freedom to work your own hours, make independent decisions, and establish your desired lifestyle. However, launching a successful business entails more than just having a brilliant concept and the determination to give it a go.

In addition to possessing the necessary skills, expertise, and knowledge to run your own business, you must also be willing to put in the effort. Running a business often requires significant personal sacrifices, particularly during the start-up phase, and necessitates juggling various

management abilities such as marketing, cash flow forecasting, and business planning.

As such, we've developed the ANZ Business Start-up Guide to assist you in turning your business idea into a reality.

THE ANZ BUSINESS START-UP GUIDE IS DIVIDED INTO SIX SECTIONS

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YOU AND YOUR IDEA

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ARE YOU READY?

Getting organised to start a business takes some planning, from having the right skills to knowing how to look after finances and bookkeeping. You might even find yourself investing some of your personal time and money - late nights, weekend work and family budgeting. But it can also provide great rewards and, if you're prepared, set you on a path to success.

Whether you're starting a new business or taking over an existing one, there are a few things you should ask yourself before jumping in, including:

- Do I have the right skills?
- What sets my business or idea apart?
- How much money will I need? And do I have access to such an amount?
- Will I manage day-to-day operations? Or will I need to employ someone else?
- Do I have a support network that can help when times get tough?

And if you decide not to go out on your own – that's also OK! It's a big decision and shouldn't be made lightly. You can still pursue your business idea for fun, and who knows, some extra time to think and plan might be exactly what your future business needs.



SELF-ASSESSMENT

The following will help you get a feel of whether you're ready to be self-employed. The more of these characteristics you have, the more likely starting and running your own business is viable.

- You have several years' experience in the industry you're considering entering.
- You thrive on challenges.
- You are prepared to undergo training to develop the skills you need or to get input from specialist advisers.
- You enjoy making and being responsible for your own decisions.
- You are prepared to work long hours without the security of a steady income.
- You are prepared to possibly accept a lower income until your business starts to make a profit.
- You have [sufficient savings](#) or an alternative income to live off during the start-up period.
- You naturally look to streamline processes and methods when approaching a task.
- Your family understands the impact starting a new business could have on them and supports you in your aim.
- You are prepared to hire staff or use the services of a professional if needed.



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STARTING A BUSINESS VS BUYING A BUSINESS

If you're considering starting a business, you can start from scratch or buy an existing business. The decision is based on what you want, how much risk you're comfortable with, how much money and support you have, and the kind of business you want to be a part of.

When you start a business from scratch, it means you're creating everything from the very beginning. It's like starting with a blank canvas and bringing your own ideas, plans, and hard work to the table. You have the freedom to decide everything, from what your business will offer to how it will operate and look. This can be an exciting journey because you have full control and can make all the important decisions. However, keep in mind that starting from scratch requires investing time, effort, and money as you build your business from the ground up.

On the other hand, buying a business is like adopting an existing business. You take over a business someone else has built and make it your own. This can be a great option because the business is already up and running, with customers and a reputation. It saves you time and energy because some groundwork has already been done. However, you need to carefully research and evaluate the business to ensure it's a good fit for you.

Both options have their pros and cons, so it's important to think about what suits you best and take the time to make the right decision.



BUILDING A BUSINESS FROM THE START

There's lots to think about when setting up a business – and when you're starting from scratch, ensuring it's set up in a way that works for the business, and you, is essential. You need to know that you, and any dependants, can survive off your new venture, which means planning is key.

When you're thinking about setting up a business from scratch, it's important to carefully consider all the good and not-so-good things that come with it. There are pros and cons to weigh before diving in.

On the positive side, starting from scratch gives you the chance to create something completely unique. You have the freedom to shape your business according to your own ideas and make all the decisions. It can be really exciting and fulfilling to see your business grow from the

ground up. However, it's also essential to recognise the challenges. Starting from scratch means starting with nothing - no customers, no reputation, and no guarantee of success. It requires a lot of hard work, time, and money to make it happen. You have to be ready to face obstacles and be patient as you build your business step by step. By considering both the advantages and the challenges, you can make an informed decision and set yourself up for success as an entrepreneur.

Some of the pros and cons of starting a business include:

Advantages

- You have the satisfaction of starting a business.
- You can move at your own pace.
- You don't have to pay for goodwill.
- You can choose the most suitable location.
- You buy the most appropriate equipment.
- You negotiate new deals with suppliers.
- You appoint your own staff.
- You invent your own operating systems.
- You create the business image you want.

Disadvantages

- Researching viability takes time and money.
- Building a customer base and a steady revenue stream can take time to establish.
- Sourcing equipment may be costly, especially if you need to buy new equipment.
- Your suppliers may not extend credit at first.
- It takes time to select and train the right staff.
- You may have to experiment to develop effective systems.
- It can take months or years to be profitable.



BUSINESS NAME AND BUSINESS STRUCTURE

Your business name and structure are crucial elements that define your identity and how your business operates. Choosing a strong, memorable business name and selecting the appropriate structure are vital decisions that impact branding, legal obligations, taxation, and overall business success.

THE NAME

One of the first things you'll need to do when setting up a business is to decide on a name. And while you can call your business almost anything, it's important to remember this is the first thing people will see or hear.

Some things to consider when choosing a name include:

- Is it relevant to my business?
- Could it be interpreted as offensive or silly?
- Will it withstand the test of time?
- Is it a name people will remember easily?
- Is anyone else already using the name and are there any trademark or copyright issues?
- Does the name correspond to a website URL that's available for you to use?

REGISTERING YOUR BUSINESS

Before registering your business, you'll need to determine a business structure. You may want to seek expert advice on which structure best suits your needs. This may be a:

- Sole trader
- Partnership
- Proprietary company

Most businesses operating in Australia need to register for an Australian Business Number (ABN). This number is specific to your business and helps suppliers, customers and the Australian Taxation Office (ATO) identify your business.

Once you've established your business structure, you can [apply for an ABN](#) for free.

TIP

Separating your personal from business finances could help clarify your business's financial position and prevent you from dipping into your personal savings and save time, especially at tax time.

SETTING UP A DEDICATED BUSINESS TRANSACTION ACCOUNT

There's lots to consider when it comes to business banking, but setting up a [dedicated business transaction account](#) to manage money in and money out could help create good financial management.

OPERATIONAL CONSIDERATIONS

Other things to think about include:

- 1. Occupational health and safety (OH&S)**
All businesses are governed by OH&S laws. It's imperative you understand and adhere to them.
- 2. Industry codes of conduct**
You must read and understand any industry codes of practise and ensure your business, including your pricing structure, are in line with them.
- 3. Local regulations**
Determine whether there are any local regulations you need to be aware of, such as operating from home.

INSURANCE

You've put in a lot of hard work to get your business to this point – and there'll be lots more to come, too. That's why it's important to take out insurance and protect your business, as well as you, your employees, your customers and equipment, with the right level of care.

The types of insurance you may need to consider include:

- Life and medical
- Travel
- Property (both business and personal)
- Plant, equipment and buildings
- Vehicles
- Director and product liability insurance
- Mortgage protection
- Business liabilities such as public liability, and business interruption.

BUYING AN EXISTING BUSINESS

One of the advantages of buying an existing business is that you've got a proven track record to work with, as well as an established reputation.

When considering buying an existing business, exploring all the aspects involved is crucial. There are several factors to take into account before making a decision. One advantage of buying an existing business is that you inherit an established customer base and brand reputation, which can save you time and effort in building from scratch. Additionally, you gain access to existing systems, processes, and experienced employees who can help you navigate the business smoothly. However, conducting thorough research and due diligence is important to ensure you're making a wise investment.

Buying an existing business means you:

- Can look over the books (and determine profitability) before purchasing
- Inherit existing customers
- May have access to equipment and furniture
- Can possibly retain current staff
- Have an established brand name.

You should ask for a detailed list of exactly what is included in the sale price. This includes all physical assets such as plant and equipment, stock, premises, and vehicles. Don't assume that anything is included unless it is written down in the sale and purchase agreement.

RESEARCH

Two of the biggest mistakes to avoid when buying a new business include overpaying and choosing a bad business venture. Which is why research, and understanding the value you'll get for your money, is important. There are a number of reasons people sell businesses – both good and bad. But looking at how the business will perform in the long run, and understanding what you're getting into before signing on, will hold you in good stead.

Things to consider may include the:

- Consistency of profits
- Location
- Infrastructure
- Product sourcing
- Physical assets
- Customers and staff
- Lease terms and conditions
- Cash flow
- Competition.

And look out for any potential red flags like:

- Old systems or outdated stock
- Negative customer perception or reputation
- Overvalued stock
- Poorly-trained staff
- An undesirable location.

Some of the pros and cons of buying an established business are:

Advantages

- Customers are established.
- Equipment and plant exists and you don't need to buy new.
- Systems are in place, including stock levels, purchasing arrangements and production levels.
- The business's previous profit can be determined, so you have some idea of how much money you can make.
- Staff will already be trained.
- The business's image in the marketplace has been formed.
- Copyrights, trademarks and patents are yours.
- It may be easier to obtain finance than when starting from scratch as there is cash flow evidence.
- It is generally quicker and easier to buy a business than to put one together from the start.
- Total cost is agreed and certain.

Disadvantages

- The purchase price may be higher than starting a business from scratch (as you often pay goodwill).

You may be inheriting:

- Unhappy customers.
- Complicated operating systems.
- Old, obsolete, or poorly maintained equipment.
- Unsuitable staff due to poor training, attitude and values or personality clashes.
- Out of date or old stock that may be hard to sell.
- Overvalued goodwill.



DEBT

It's essential that before buying a business, you have a thorough look at their books to understand what debt it carries. You may also want to have a professional advisor (such as an accountant) look over the business's books and provide advice.

- Are the debts substantial?
- Have they been factored into the value?
- Are the accounts in order?

GOODWILL

It's difficult to put a precise valuation on goodwill as it represents the 'potential future earnings' that the business is likely to produce. It compensates the previous owner for the work they have done to generate a profitable revenue stream, such as selecting the right location, recruiting and training staff, establishing supplier contracts and developing a customer base.

PURCHASING

Before entering formal negotiations, you should have already spoken to a trusted, qualified professional who is experienced in business purchases (e.g. accountant, lawyer and/or business advisor). The process that follows may look something like the below steps.

1. Signing of a confidentiality agreement

This prevents prospective buyers from disclosing confidential information about the business, and stops potential competitors from enquiring, then using the information for their own gain.

2. Making an offer

This is where any relationship you have built with the current owner, and your negotiation skills, will come in handy. When you're ready to make your offer, work with your professional advisors to determine the finer details (such as terms and conditions).

3. The contract

The contract will be drawn up based on the agreed terms and conditions and a due diligence period will likely begin. This is where you (and the current owner) can negotiate anything from the terms to the date of payment.

4. Due diligence

Often the contract of sale will be conditional on you completing your due diligence on the business. This is your opportunity to ensure everything you've been told about the business is correct and to uncover any issues, with the help of your professional advisors.

5. Warranties and indemnities

Warranties are the legal confirmation of the status of affairs, and indemnities provide protection in the event a risk arises (such as any loss or damages that occur from an event that was prior to you taking over).

6. Contract exchange

Once the due diligence period has ended and if you have not uncovered any material issues, you can buy the business. Depending on the terms of your contract, if there are no material issues uncovered during the due diligence period but you still decide not to go through with the sale, you may have to forfeit your deposit and may be liable for other costs such as legal costs incurred by the vendor.

7. Handover

Congratulations, the business is yours! All that's left is the official handover, which may include a formal period of training, often provided by the outgoing owner.



BUYING A FRANCHISE

If you have minimal business experience, buying a franchise is another option you can consider.

A franchise is like a ready-made business package that you can purchase from a well-established company. Buying a franchise gives you access to its brand name, proven business model, and ongoing support. It's like being a part of a bigger family where you can benefit from their expertise and marketing strategies. However, keep in mind that buying a franchise often requires a significant upfront investment, and you'll have to follow certain rules set by the franchisor. If you're someone who prefers working within a structured framework and enjoys the support of an established brand, buying a franchise is an exciting opportunity to explore.

The advantages of buying franchises can include:

- Access to an established and proven business system
- An established brand name
- Potential access to training, guidance and extra assistance
- National advertising and exposure
- The opportunity to purchase other franchises, if successful.

If this is something that interests you, it's important to consider:

- If the franchise is performing well, staying steady or declining
- Whether you're happy with the level of control you have, and that exercised by the franchise operator
- Any consequences if you deviate from the operating manual, or fail to achieve the agreed sales revenue
- How committed the franchisor is to the business
- The overall fee structure
- The terms and agreements and renewal options.



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KNOW YOUR MARKET

One of the most important things to consider when starting a business is your target market. Who are they? What do they want? And how can you answer their needs? Being self aware, knowing your points of difference and understanding market trends and demand are also key.

DETERMINING MARKET DEMAND

It's sensible to establish if there's a market for the type of product or service you are selling. You also need to work out your competitive advantage – why will people buy that product or service from you rather than one of your competitors?

The key things you want to establish are:

Will your target market purchase?

- Who exactly will buy your goods or services?
- Where do they live or work?
- How will you reach them?

Do you have a competitive advantage?

Why should people do business with you? You need compelling reasons for people to choose you rather than competitors. The need becomes even more urgent if your products are similar to others. A competitive advantage can take many forms. For example:

- Your product or service is clearly superior or better value for money
- Your product is unique, or new to the market
- You've identified a niche market that others have ignored or serve poorly
- You stock products or offer services that others don't
- You've patented your product, or registered your design so it can't be copied.



Your 'competitive advantage' is what you do better than anyone else in your part of the market. Learn more about how to define yours [here](#).

Is there existing demand?

The most compelling evidence is often established demand. For example:

- Have you made any sales already?
- Do you have any orders in advance, or have you secured any contracts?
- Have you trialled marketing your product or service on a small scale to determine its wider demand and acceptability?
- Are there existing businesses in the industry that you can use as market evidence?

UNDERTAKING MARKET RESEARCH

There are lots of ways you can research your market. By far the most common (and realistic) approach to is to simply get out and talk to as many potential customers as possible about your idea. Questions could include:

- What do you like about my idea?
- What do you think could be improved?
- Would you buy this product or service? If not, why not?
- What price range would you be prepared to pay?

Other questions your market research should answer

- The industry size, characteristics of major competitors, market segments, sales volumes and various channels to market (include \$ figures wherever possible).
- Future industry trends and predictions.
- Your ideal customer (age, life stage and budget), including how many there are in the market, how many are your customers, where and how they buy your product.
- The best way to advertise and promote and the best channels by which to sell.
- Current prices and supplier costs.

Cost-effective ways to conduct market research

- Spend as much time as you can searching online. Google is your friend, and you'll be amazed at how much you can discover about your industry and competition.
- Dive into social media and find out as much as you can about customer preferences, comments, and opinions.
- Get in touch with an experienced business owner within your industry – many owners are happy to share their knowledge and support new businesses.
- Most industries will have an industry association that produces research or can offer you some information or insight.
- [Australian Bureau of Statistics](#) has a wealth of information free of charge you can access.
- Accessing information held by universities or TAFEs may be a cheaper alternative to professional market research.
- Look at other parts of Australia and other countries. If similar products or services exist, chances are a demand has been developed. For instance, if you live in a town that does not have a bakery, but you know a similar town does (and the bakery is really busy), a demand probably exists.

CREATE A BUSINESS PLAN

Every business is different, so planning requirements are different also. There are a number of ways you can format your business plan, but generally the information should flow in a logical order as suggested below:

- The business you are proposing and the products or services you will sell
- The structure of your business (in terms of ownership, personnel, type of company, etc.)
- The strengths and weaknesses of your business idea and opportunities and threats in the market
- Your business goals. You will likely have different objectives for each major part of your business (e.g. marketing, sales, operation and distribution)
- Your marketing strategy and how you will engage with your audience
- Your most important processes (e.g. managing suppliers, financial monitoring, marketing, sales and distribution). For each process, describe how it works now, how it should ideally work and what needs to be done to reach that point.

The secret is to keep your plan short, simple and practical, so it's easy to implement.

TIP

Download the [ANZ business plan template](#). It will help you create your plan from scratch that you can save and print.

YOUR CHECKLIST

- Do you know your target market? And how are you appealing to them?
- Do you have a point of difference?
- Have you looked at your competitors?
- Do you have a clear idea of what sets your product or service apart?
- Do you understand the costs of running a business?
- Have you determined the best way you sell your product or service (e.g. online or in a store)?
- Have you done your due diligence?
- Is your business in a desirable location? And does it need/have a lease or mortgage?
- Do you have suppliers?
- Have you looked at the costs charged by your suppliers?
- Do you need staff? And how will you afford them?
- Do you know your legal obligations?
- Do have a contingency plan?
- Have you organised any necessary equipment (e.g. furniture)?



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UNDERSTANDING BUSINESS FINANCE

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UNDERSTANDING BUSINESS FINANCE

Crunch the numbers to find out if your idea is profitable. Even if you've haven't started yet, you can predict the future financial outlook of your business by completing a cash flow and break-even forecast.

1 HOW MUCH MONEY DO YOU NEED TO GET STARTED?



Start-up costs



Working capital



Financing options

4 MANAGING YOUR BANKING



Financial management



Everyday transaction banking



Taking and making payments

2 CALCULATE YOUR SALES TARGETS AND RUNNING COSTS



Sales targets



Running costs

Understanding Business Finance

Understanding business finance is like navigating your financial journey. It's all about knowing the ins and outs of your money matters to guide your business towards success.

5 TAX AND GST



Tax obligations

3 FORECAST THE BUSINESS'S PROFIT AND LOSS AND CASH FLOW



Profit and Loss



Cash flow

6 RECORD KEEPING



Organised records and systems



Accounting records

HOW MUCH MONEY DO YOU NEED TO GET STARTED?

Knowing the upfront costs for essentials like equipment, inventory, and operations is important. This helps you organise your finances, ensuring you're well-prepared to launch successfully.

To work out how much money you'll need to start your business, you'll have start-up and working capital costs:

START-UP COSTS

These are the funds required to buy equipment, the purchase price of the business/franchise and all other set-up costs, including items such as office equipment, phones, deposits on leases, legal fees, signage, vehicles, and initial stock. Visit the [ANZ Business Hub](#) to access our [set up costs calculator](#).

WORKING CAPITAL COSTS

This is a buffer of regular monthly costs, such as rent, advertising, insurance, utilities, and fees, as well as your direct input costs such as raw materials, stock, and wages.

To calculate your total working capital requirement, multiply your monthly cost estimate by the number of months before you start to breakeven.

Tips to reduce funding needs

- You don't have to pay cash for everything. Look at other forms of financing capital equipment and vehicles (such as leasing or hire purchase). You can find more information about ANZ Vehicle and Equipment Finance [here](#).
- Keep on good terms with your suppliers; they might give you extended payment terms as you set up.
- Get as much money in advance as you can. This will improve your cash flow and reduce the need for working capital or drawing on an overdraft facility.
- Avoid giving credit and make sure you accept every type of immediate payment (like online banking and credit cards) if possible.
- See if you can 'bootstrap', which means borrowing what you need and doing things yourself, until you have the cash flow.

GETTING FINANCE

If the cash you have available is less than the total funds required to start your business, then you may need to borrow the shortfall. If it's a significant sum of money, you may also be asked to provide evidence of your personal finances.

This will typically include:

- Statement of personal financial position – this lists what you owe (liabilities) and what you own (assets) and will help lenders to assess what you could contribute to the business in the way of equity (capital) or security for any loans advanced
- Income/outgoings position – this shows how much income you have coming in each month and how much you spend each month. This might also be referred to as a budget.

Here are a few tips to help you get your finance approved and make the process simpler for you.

- Double check your business plan is water tight and feasible – consider asking for second and third opinions.
- Ask your accountant to help. A good accountant will be experienced in finance applications and invariably make the process a lot smoother.
- Be prepared to discuss your work and business history. Take along a copy of your CV (and your partner's, if applicable).
- Remember that having sufficient funds, or the security (collateral) to secure funding, is not sufficient in itself. You need to be sure in your own mind and convince lenders that you have the skills, experience and the right business concept to be successful.
- Allow plenty of time. We recommend starting the finance application and account opening process at least six weeks prior to your business start date. This allows time to set up your merchant facilities, transfer accounts between banks, work through any issues with the loan application, and test your staff and supplier payment facilities – and it means that you won't be running around panicking about your bank accounts the day before you open the doors!
- Ask your ANZ Business Banker about anything you don't understand.

As well as providing finance to help you get started, we're happy to help set up other facilities you may need for your business.

There are a range of different finance options for your business and it is likely that you will require a combination of finance options to meet your short-term and long-term funding requirements. You should speak to your ANZ Business Banker to discuss the options that best suits your needs.

Here's an easy way to book a phone appointment with an [ANZ Business Specialist](#).

A key reason for finance being declined (and for businesses failing) is that business owners want to borrow more money than the business can realistically repay, and often don't make a provision for working capital during the start-up phase. So you need to demonstrate that your business has the ability to cover costs and finance any borrowings.

TIP

Get prepared for lending with these two helpful resources [Your six steps to business lending](#) and article ["What are banks are looking for?"](#)

CALCULATE YOUR SALES TARGETS AND RUNNING COSTS

By doing so, you can set some realistic goals for how much money your business can make and figure out the costs you'll need to handle to keep everything running smoothly.

Calculate your break-even point

It's important to know what your break-even point will be when you start up a business. This is where your costs equal your income so you neither make a profit or loss.

Use our [free break-even calculator](#) on the [ANZ Business Hub](#) to help you identify:

- The level of sales you'll need to cover costs each week
- The impact that either increasing or decreasing price would have on the sales needed to breakeven
- How lowering fixed costs can improve your break-even point.

You can also use your profit and loss statement to identify opportunities for cost savings and areas to invest in.



FORECAST THE BUSINESS'S PROFIT AND LOSS AND CASH FLOW

When you forecast the business's profit and loss and cash flow, you take a peek into its money situation. It's like predicting how much money will come in and go out. Doing this lets you make smart choices, spot any financial hurdles, and keep your business in a good place with enough cash to keep things running smoothly.

PROFIT AND LOSS STATEMENT

Forecasting the business's profit and loss is a great way to test the viability and sustainability of your business idea as it will help you to determine the volume of sales the business will need to cover costs and start generating a profit.

You can also use your profit and loss statement to identify opportunities for cost savings and areas to invest in.



Download our handy [profit and loss template](#) to help you forecast your business's profitability.

CREATE A CASH FLOW FORECAST

A cash flow forecast aims to predict the cash flow cycle (money in and money out) of the business over a period of time to enable you to budget effectively. It's relatively easy if you follow the below steps.

- Work out how much actual cash you think you will get from sales each month (your cash inflow). This will be the income from your cash sales that month, plus payments from debtors received that month. It doesn't include sales made that month where you have yet to be paid (e.g. sales made on credit).
- Similarly, list all your cash outflows per month, including any capital equipment or other expenses each month.

When preparing your cash flow

A good cash flow is not just a spreadsheet of numbers that you have quickly made up. It will be the document that anyone looking at your business will spend the most time on.

As you complete the cash flow, make notes as to the assumptions that underline these figures. Then write them into the additional notes so anyone reading your cash flow will have some understanding as to how the calculations were determined.

Your forecast for the business reflects a realistic balance between proper market-driven sales projections (not guessing) and an accurate costing and pricing of your goods and services.

Even though you have not started yet, the amount of time you spend on assessing a realistic sales level is crucial. You should also outline exactly how you came to the sales figures for each month (and don't forget seasonality – it is highly unlikely that you will have the same sales level for all 12 months of the year).



Download [ANZ's cash flow forecast template](#). It will help you build a cash flow for the next 12 months.

Having a solid grasp of your business's financial position, developing good financial practices, and having the right systems in place is crucial to success.

The ANZ Business Hub has some great tools and resources that can help start you off on the right track.

Find some helpful articles and resources [here](#).



MANAGING YOUR BANKING

Getting your business's banking in order is an important part of ensuring your business is financially ready to start operating.

Setting up the right business accounts could help ensure you will be able to:

- Take payments from customers
- Make payments to suppliers and staff
- Manage the business's cash flow effectively.

EVERYDAY TRANSACTION BANKING

Having a dedicated business transaction account is important to the day-to-day running of your business. Most payments in and out of your business will be channelled through this account. Depending on the type of business transaction account, it could also be linked to an overdraft facility to allow for working capital requirements.

A dedicated business transaction account could help you:

- Have a clearer understanding of the business's finances
- Save time by identifying business deductions more easily during tax time
- Help prevent you from dipping into personal savings
- Help build a business transaction history that can be used to assess your suitability for lending when and if you need it.

ANZ has a range of transaction accounts to cover your business banking needs. Choose a straightforward business account with all the essential features and no monthly account service fee or a simple business account with an optional linked overdraft (subject to ANZ's normal credit approval criteria).

TAKING CUSTOMER PAYMENTS

Accepting EFTPOS, debit and credit card payments

Collecting payments quickly and securely from customers is critical to good cash flow and the success of your business.

[ANZ Worldline Payment Solutions](#) offers a range of services related to accepting payments in-store and online. These include stand alone or integrated point of sale systems suited to a variety of different types of industries.



1. Eligible accounts and payments only – sending and receiving account must be capable of processing faster payments. Technical interruptions may occur and some payments may be delayed e.g. for security screening.

BPAY® is registered to BPAY® Pty Ltd. ABN 69 079 137 518. PayID is a registered trademark of NPP Australia Limited. More information on PayID® can be found at [payid.com.au](#) ANZ Worldline Payment Solutions ("ANZ Worldline") means Worldline Australia Pty Ltd ACN 645 073 034 ("Worldline"), the provider of merchant solutions under the Merchant Agreement. Worldline is not an authorised deposit taking institution (ADI) and entry into the Agreement is neither a deposit nor liability of ANZ or any of its related bodies corporate (together "ANZ Group"). Neither ANZ nor any other member of the ANZ Group stands behind or guarantees Worldline. Worldline Australia Pty Ltd ABN 50 645 073 034.

More ways to take payments



BPAY®

BPAY® is an easy¹ and secure way to receive payments from customers when they pay their bills or invoices.

Discover the benefits of becoming a BPAY® Biller [here](#).



Direct Debit

Offering your customers Direct Debit allows you to have payments automatically drawn from your customers accounts into your business account on a pre-arranged basis. This can be a way for you to receive your money on time while offering customers an easier and more convenient way of making payments.

Learn more [here](#).



PayID®

You can create a PayID®, you can receive payments easily¹ and securely using your ABN/ACN, phone number, or email address. Say goodbye to memorising those lengthy BSB or account numbers and simplify your transactions.

Learn how you can set one up [here](#).

MAKING PAYMENTS

Paying wages and bills can be made online and integrated with your online banking. Learn more about our online banking solutions on anz.com

TIP

ANZ is here to help your business succeed. With our experienced staff that have helped many businesses succeed, we also have the right business tools and resources to support your business.

Managing the business's finances and banking are intertwined. Here's a short checklist of considerations

- Setting up a dedicated business bank account for your business.
- Tracking the business's financials (There are many accounting software packages on the market that can help you do this).
- Will you manage the business's finances yourself or hire a bookkeeper?
- Your budget?
- How much to charge customers for services (and what's the rationale behind this)?
- Making payments to employees or for products and services.
- An invoicing system and ways to make customer payments.



TAX AND GST

Tax and GST are important financial considerations for your business. You need to pay the government these amounts based on your business earnings and sales. It's essential to stay compliant, keep accurate records, and factor in these obligations when managing your finances.

You will be doing your business a great favour if you get on top of taxation issues right from the start. In a well-managed business, there should never be an 'unexpected' tax shock because most taxation is predictable and, therefore, can be planned for – especially if you consult your accountant.

UNDERSTANDING DIFFERENT TYPES OF TAX

It's important you understand the tax needs of your business before launching your business to avoid fines and ensure you are registered and taxed accordingly. It's important to keep thorough records so you know how much money you've spent and how much you've made. Depending on the size and structure of your business, you may also need to file a Business Activity Statement (BAS). There are a number of taxes you may have to pay, or at least know about. The main ones are:

Income tax

The amount of tax you pay is based on your net profit. This is your business income (all the goods and services you have sold) less the expenses used in gaining your business income. Profits earned are taxed at different rates depending on if you are trading as a company, sole trader, or partnership.

Talk to your tax adviser on when you will need to make tax payments. It's good idea to set money aside as you earn it to pay for this as there are penalties for late payment.

The Australian Taxation Office has a great [tax summary](#) for new start-up businesses.

To help account for GST, remember to keep proper tax invoices of all goods or services you supply as well as invoices for all the goods and services you buy for the business.

TIP You can apply for an Australian Business Number from the Business Registration Service [here](#).

Pay as you go (PAYG)

If you employ staff or pay yourself a wage as a shareholder employee, you have to make PAYG deductions from your employees' earnings and pay these deductions to the ATO.

Business.gov.au has a useful outline on [how PAYG instalments work](#).

TIP Speak to an ANZ Business Banker about the feasibility of opening a [Business Savings account](#) where surplus cash can be deposited and saved to help meet the business's tax obligations.

Fringe benefit tax (FBT)

FBT is payable on most benefits (perks) given to your employees or shareholder-employees (including yourself).

Examples include motor vehicles, subsidised or free goods and services, low-interest loans and employer contributions to superannuation schemes and specified insurance policies. There are different methods (and different rates) for calculating FBT – you should speak to a tax adviser for more information.

For more information, check the [Australian Tax Office](#) page on Fringe Benefit Tax.

Because everybody's individual circumstances are different, it's important that you get professional advice specific to you and your business. Australian Taxation Office offers a free business tax information service for businesses that are starting up or changing the way they operate.

TIP Find out more about these services and the other resources at the [Taxation Office](#).

RECORD-KEEPING

Setting up good accounting and record-keeping systems is essential to running an efficient and successful business. You may like to get help from your accountant or bookkeeper to set these systems up, too.

Having good systems will help you to:

- Determine whether your business is making enough money to meet its expenses
- Make purchasing decisions depending on budget
- Have enough money to pay taxes
- Demonstrate to investors, bankers and others that your business is sound and is being run professionally
- Save time. A good system will allow you to get a realistic picture of your business when you need
- Save money on accountant fees. If you're doing the day-to-day bookkeeping, your accountant won't have to spend valuable time (that you're paying for) getting your books in order.

WHAT TO MONITOR WITH SYSTEMS

- **Sales revenue** – it is important to understand where your income comes from and when. This will allow you to improve underperforming parts of your business or put more energy into areas where sales are high.
- **Direct costs** – your direct costs of sales are usually variable costs and likely to fluctuate month to month. You should monitor these in relation to your sales revenue to maintain your gross profit margins.
- **Operating expenses** – usually these are fixed costs and don't vary much from month to month, but they need monitoring to ensure they don't get out of control.
- **Stock levels** – having too much money tied up in slow-moving stock can produce cash flow problems, while running short of stock can adversely affect sales and customer satisfaction. Some things to consider when monitoring stock levels are volume of turnover, reliability of supply, most economical size of deliveries, wastage, and costs of storage.
- **Taxation liabilities** – even though you are not required to pay provisional tax in your first year of business, you may be eligible for a tax discount for making voluntary payments in your first year. This can reduce your tax liability and help you manage your cash flow better if you pay tax on a pay-as-you-go basis throughout the year rather than paying a lump sum when the bill is due for payment.
- **Debtors** – cash flow is king for small businesses, so you have to ensure that where you extend credit to customers, they pay their bills on time. This means having a sound invoicing system and following up any overdue debts.
- **Working capital** – producing a working capital statement regularly will show you your current assets against your current liabilities (the difference being your available working capital).

WHAT RECORDS TO KEEP

The key elements in your record-keeping system

- **Cashbook** (often via software like MYOB and Xero) – this records all transactions, payments and receipts. The transactions should be coded into different categories (e.g. sales, wages, electricity) to give you useful information on patterns of income and spending.
- **Records of payments** (online banking, credit cards, cash, invoices, and receipts).
- **Records of sales** – these should distinguish between credit sales and cash sales.
- **Orders** – a centralised system for orders is invaluable for management and forward planning.
- **Worksheets** – if you are issuing invoices for products or services, you will need an efficient, accurate system for capturing information on work done and costs to be passed on.
- **Invoices** – if you issue invoices, ensure you can easily extract information on outstanding accounts.
- **Accounts payable** – these should be stored in such a way that it's easy to summarise your bills and prioritise them for payment.

With the proliferation of accounting software systems, apps and technologies, there should be a way to track and follow everything in your business.

COMPARING MANUAL VERSUS SOFTWARE SYSTEMS

You can start off with a manual cashbook or keep track of your sales and outgoings on an Excel spreadsheet. But if you are serious about being in business you should consider using accounting software to manage and track your business finances. Some of the benefits include:

- Real-time information, especially if you use cloud-based software that links to your bank account information.
- You will save money with your accountant/bookkeeper as they can log in and see/load your data.
- Reduce the chance of an error for tax reporting purposes.
- It will be quicker, more accurate and you can access exactly what is happening anywhere you have a device connected to the internet.

The main accounting software providers in Australia are MYOB and Xero. Search online or seek recommendations from other business people or your accountant/bookkeeper.

TIP Linking your banking data to **compatible software platforms such as Xero™, MYOB® and Intuit Quickbooks®** could save you time and help your business to securely access fast business lending¹. Find out more [here](#).

1. Only available on ANZ Internet Banking and ANZ Internet Banking for Business. ANZ bank feeds are compatible with the majority of retail or commercial transaction, deposit, lending, funds management and credit card accounts. ANZ bank feeds are not compatible with Asset Finance accounts, ANZ Smart Choice Super products or Foreign Currency accounts¹.

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GET READY TO LAUNCH

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GET READY TO LAUNCH

The most exciting part of starting a business is the actual launch. You are telling the world that you are now open for business and as you usually only have one launch, it's important to take advantage of the possible free press or coverage you might get.

GAINING AWARENESS

Encourage referrals and word of mouth

People will often talk about a 'new' business that has started up, and it is your chance to build word of mouth from day one. Referrals from customers is the easiest and cheapest way to acquire new sales leads and customers and an effective way to grow sales as:

- Satisfied customers become your marketing agents. People tend to trust friends and business colleagues to direct them to suppliers that offer great value
- A referral costs very little compared with the expense of advertising for new customers
- Prospects are already half-sold. A recommendation from an existing customer carries more weight than any claims you might make in your advertising.

Be active

Encourage and accelerate the referral process by implementing some or all of these steps:

- Set up social media accounts in the platforms where most of your customers are active (Facebook, Twitter, Instagram, Tik Tok, Snapchat, LinkedIn, etc.) and set up campaigns to generate likes and referrals
- Include a 'send to a friend' button or message on your emails, newsletters, and on your website
- Develop incentives (such as discounts) to encourage referrals
- Train staff to actively ask customers for referrals and new leads
- Always ask new customers, "How did you find out about us?" to build an understanding of how you got new business.

TIP

For more information on how to get your name out there, visit the [ANZ Business Hub](#).

A MARKETING PLAN

Create a marketing plan to identify, locate, and sell to your customer groups.

Allocate a budget and calculate what sales you need to recover the cost of the campaign and make a profit.

Match effective advertising tactics to each customer target.

Roll out the campaign and measure the results, adjusting as you go based on what works and what does not. It's a good idea to start with a relatively small sample and sell what works before rolling out a wider campaign.

If you sell to other businesses, start investigating how you can get 'in the door' to pitch your product or service. Learn as much as possible about the target's structure, organisational chart and its focus and plans. Then plan your approach.

For example, you may decide to:

- Search the organisation's website for relevant contact information
- Contact your business association or ask a colleague for leads
- Call the organisation directly to identify the decision-maker.

TIP

Be patient when prospecting. It's not unusual to wait for a prospect to contact you, so calculate the revenue potential before you make your first pitch. If the account looks good enough, be patient and (gently) persistent.

BUILDING AN ONLINE PRESENCE

As you would expect, building an online presence is critical. Almost everyone is connected via the internet in some form, and internet searches are the dominant way most of us find out about anything. It's the same for your customers. It's highly likely they will either find you online, or at least check or research your business and you online.

HERE ARE OUR TOP TIPS

Use social media

Social media is an inexpensive form of keeping in touch and demonstrating an online presence. Don't worry if you don't know a reel from a TikTok – you don't really need to understand every little detail to get started. But you will need to know a little about different social media platforms and decide on the platform that will best suit your business objectives.

Build an effective website

Even the smallest business benefits from the exposure an effective website brings, and although every business doesn't need a website, and you could probably get away with a Facebook or search engine presence, most people would expect a business to have a basic website to view.

The reasons include:

- Enhanced credibility, as you can showcase examples and past clients
- Project an up-to-date image
- Better customer service by being able to respond to online queries
- Customers can learn and review your business message and marketing material 24 hours a day, seven days a week.

EMPLOYING STAFF FOR THE FIRST TIME

Once you start your business there is a high chance that you will need employees to assist you. Regardless of when you need to hire, there are certain steps you should take to make it easier to get them on board and up to speed with your requirements.

Write a job description

Spend time thinking about your requirements and deciding what your new employee will be required to do. For example:

- A person profile and the technical, physical or personal requirements needed
- The key tasks for the role, from the day-to-day tasks to likely one-off jobs and special requirements
- Likely salary expectations so you can determine if you can afford them
- The hours the role will require. This includes whether the role will be a part-time or full-time position, permanent or fixed-term
- The responsibility level required.

Employer responsibilities

Once you become an employer, you will face a new set of obligations, from being a responsible employer to filing accurate PAYG forms and payments.

Every employee will require an employment contract. You can build your own using the [Employment Contract Tool](#) from the government's business employment site.

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ONGOING HELP

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ONGOING HELP

There is a huge amount of ongoing help available for businesses in Australia, some free, some not. Assess what level of support you require and then connect with the professionals and groups that can best deliver this to you.

PROFESSIONAL SUPPORT

Starting a business may feel like an overwhelming task but you certainly don't have to go it alone. There are a number of professionals that can assist you along the way.

If possible, choose advisers who have a number of other clients in your industry, because they can often pass on experience from other clients (within the bounds of professional confidentiality).

Professionals you can talk to include:

- Accountants
- Lawyers
- Insurance brokers
- Business advisers and coaches
- Industry groups
- Chambers of Commerce
- Consultants
- Business mentors.

CONFIDENTIALITY

If you are concerned about discussing your new idea with an adviser, asking people to sign a confidentiality or non-disclosure agreement can be a sensible precaution to take. How simple or complex an agreement you use depends on what you need to safeguard. Search online for sample agreements or talk to your lawyer about the best ways to protect your idea.

BANKING SUPPORT FROM ANZ

ANZ is here to help you start your business successfully, and then be there when you need us every step of the way.

Your ANZ Business Banker can help:

- Work out the best way to fund your business or prepare it for funding in the future
- Look at your personal financial statements, cash flow forecasts, profit and loss statement, business plan and marketing plan
- Set up all of your business accounts and business credit cards
- Set up your merchant facilities
- Set up your personal as well as your business banking requirements, including personal cheque and savings accounts, credit cards, mortgages, and personal insurances
- Call 1800 351 663, or [visit us online](#) to book a phone appointment with an ANZ Business Banking Specialist.

LOOKING FOR MORE INSIGHTS, TIPS AND TOOLS TO HELP YOU WITH YOUR BUSINESS?

ANZ BUSINESS HUB

Visit the [ANZ Business Hub](#) to help your business achieve big things. It's a free online resource designed to help your business be prepared for today, tomorrow, and the unexpected. From managing day-to-day financials, to planning and attracting customers, there's lots to unpack.



MORE HELPFUL RESOURCES

BUSINESS

Australian Government business information portal

Provides business owners with resources and advice.

www.business.gov.au

Australian Government Fair Work Ombudsman

Helps employees understand their work entitlements.

www.fairwork.gov.au

FINANCIAL

Certified Practising Accountant (CPA) Australia Grants and business support

Has financial advice and information for businesses.

www.cpaaustralia.com.au

Australian Government Attorney-General's Department

Includes state- and territory-specific legal resources.

www.ag.gov.au/legal-system/legal-assistance-services

Institute of Chartered Accountants of Australia/New Zealand

www.charteredaccountantsanz.com

1300 137 322

Certified Practising Accountant (CPA) Australia

www.cpaaustralia.com.au

1300 737 373

Institute of Public Accountants (IPA)

www.publicaccountants.org.au

1800 625 625

LEGAL

Law Council of Australia

Has links and details of state- and territory-specific lawyers.

www.lawcouncil.asn.au

National Legal Aid

Connects people with legal aid lawyers in their local state or territory.

www.nationallegalaid.org

EMOTIONAL

Lifeline

Supports people facing hardship and distress.

www.lifeline.org.au or 13 11 14

Relationships Australia

Helps individuals, families and communities with relationship matters.

www.relationships.org.au or 1300 364 277.

Mensline

Wellbeing support for men.

www.mensline.org.au or 1300 789 978





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