



GUIDE TO STARTING A SMALL BUSINESS IN TASMANIA

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Abstract

Setting up your own business is exciting, but can also be challenging if you're not prepared. This guide will take you through each step of starting a business in Tasmania and help you understand what's ahead.



I. Getting Started

Starting a business can be both exciting and stressful; it's not easy to assess risks and benefits and then make decisions about something that will become a major part of your life.

Before you start a business, you will need to talk to many people, conduct lots of research and gather information to make sure that your decisions are based on sound financial and market information.

You may decide:

- ✓ that the right time is now – that the opportunities are there and the risks for you are low;

- ✓ to wait and start a business when you have saved more money or gained additional knowledge or skills; or
- ✓ not to go ahead with the business idea you have, but to keep thinking and looking for further inspiration.

This practical guide to starting a small business in Tasmania will show you where you can go for support and information that will help you make decisions that are right for you.

II. Before You Start



❖ Check if you're ready

Starting a business takes a lot of effort and commitment. Before you start, it's important to know what's involved and if you're suited to running a business. These questions will help you evaluate yourself and make sure you're ready.

✓ Do you have the right skills?

Aside from having knowledge in your chosen industry, running a business requires a wide range of skills such as business, personal and interpersonal skills.

✓ **Are you prepared to sacrifice your lifestyle?**

Your lifestyle will change a lot as a business owner. You will need to work long hours and even weekends. You need to prepare yourself that you may have less free time.

✓ **Can you continue through tough times?**

Passion and motivation can wear off during hard times. Make sure you're prepared to keep working even when things are hard. You'll need to rely on your discipline not to give up.

✓ **Do you have access to the money you need?**

Make sure you are in the right financial position to start a business. Starting a business is exciting but also expensive. There will be a number of up-front costs you will have to consider, as well ongoing fixed and variable costs involved in running a business.

You may not start making money from your business for some time. It's important you have enough financial backing to take on and support your new venture.

✓ **Are you prepared not to have a salary?**

You should have enough savings or an alternative income to use while you're establishing your business. It may be a while before you can pay yourself a stable salary or income again. This may have a big impact on your lifestyle and daily living.

✓ **How good is your business idea?**

It's important that you assess your business idea with a critical eye. Make sure that there is a need or desire from customers for your product or service.

✓ **Are you prepared to seek help?**

It's important that you are comfortable seeking help. Running a business isn't a simple thing to do and you don't have to do it alone. Talking to a business

adviser or trusted accountant or tax agent can help you solve business problems and connect you to grants and programs.

✓ **Are you prepared for the risks?**

Unfortunately, you need to be prepare yourself that your business may not be successful. This might mean that you could lose money, time and investments.

✓ **Deciding not to start**

It's okay if you don't feel ready to start a business. There are other pathways you can take.

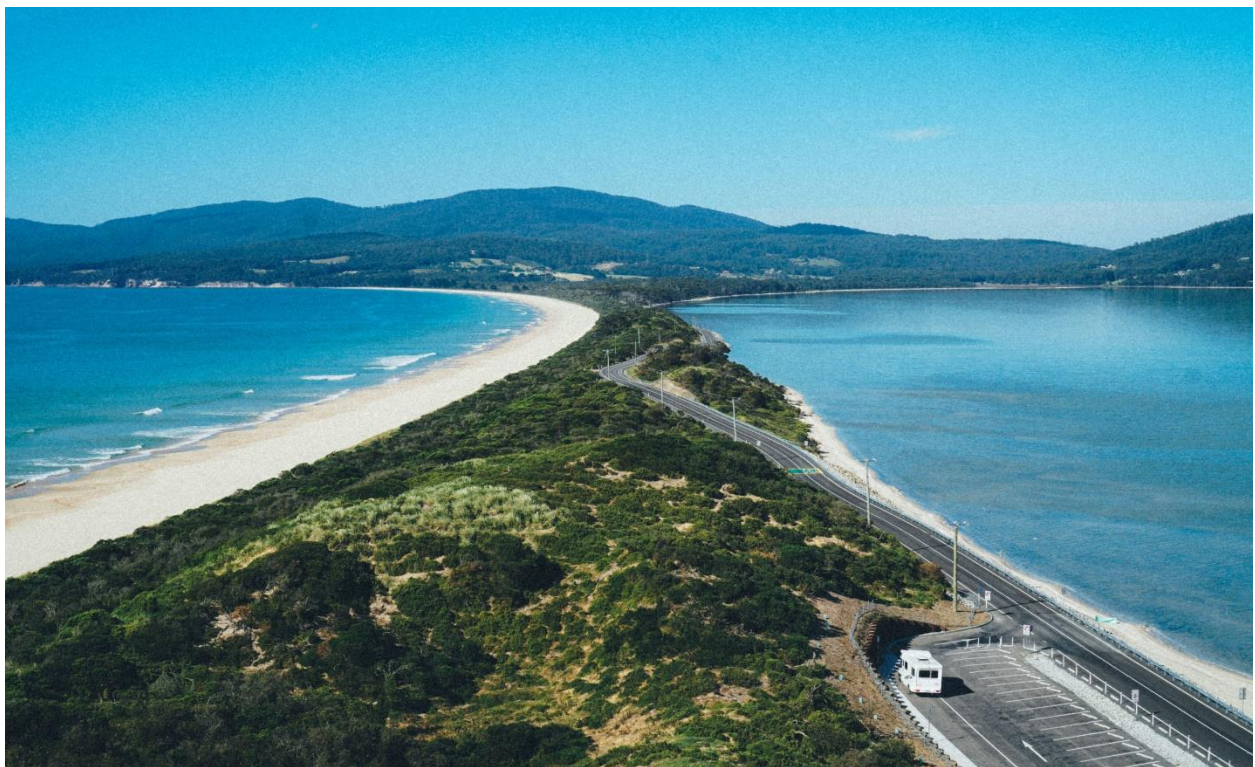
You can:

continue your business idea but as a hobby

think of another idea and assess your new business idea

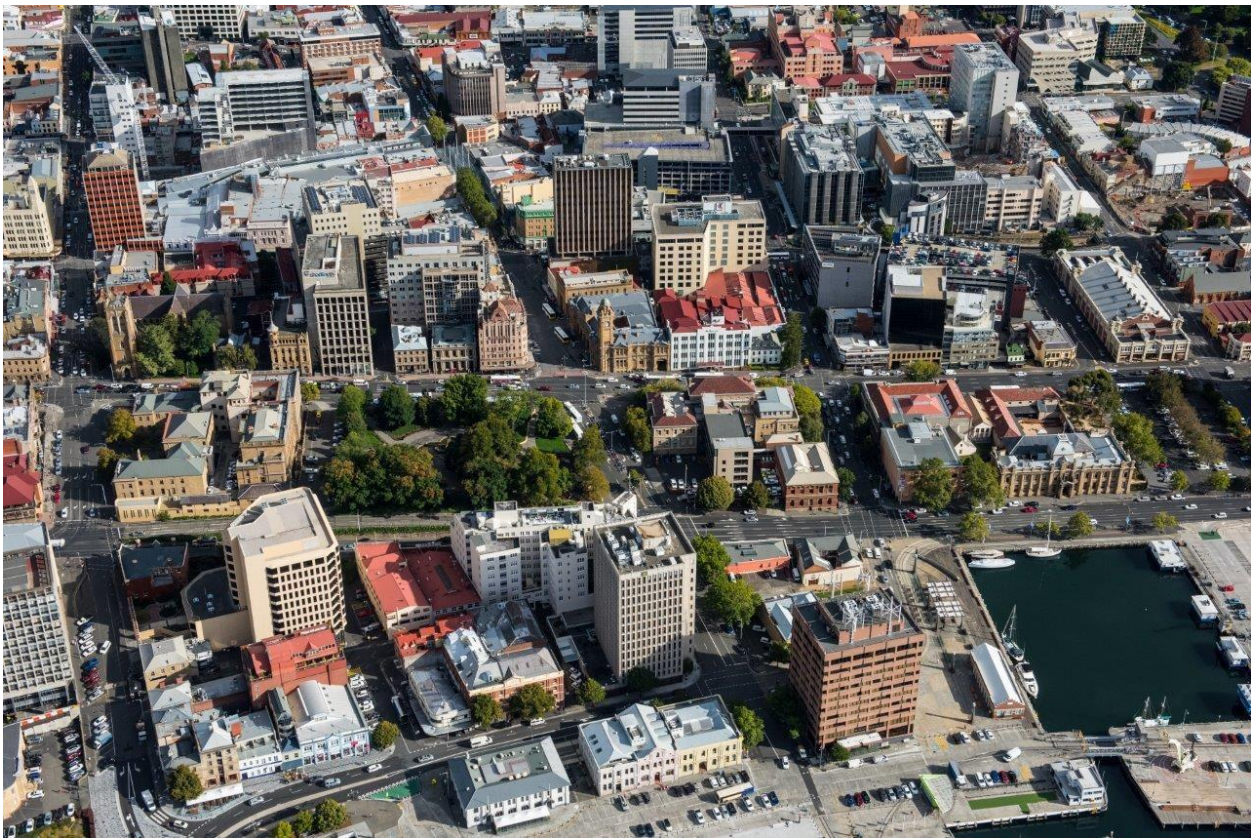
reassess your situation again in the future – you might be ready then!

Is Tasmania Good for Business?



Tasmania is made up of small businesses. In fact, there are currently more than 39,000 small businesses operating in the state. If you have an entrepreneurial spirit, Tasmania is an island of opportunities. Our economy is resilient, and is considered one of Australia's top performers across a range of official indicators. Innovative start-up businesses like Bulk Nutrients (a leading supplements brand), Savage Interactive (creators of illustration app Procreate) and many more enterprises of all sizes have found success in Tasmania, backed by support from the community and local resources.

WHY HOBART?



Doing business in Hobart

Located in southern Tasmania, Hobart is the state's capital and provides a wide range of experiences and opportunities for business in the areas of:

- ✓ health care and social assistance
- ✓ public administration and safety
- ✓ education and training

- ✓ accommodation and food services
- ✓ retail
- ✓ professional, scientific and technical services
- ✓ arts and culture
- ✓ property development and construction.

Hobart is the business and commercial centre of Tasmania and the seat of state government. While Hobart's economy is diverse, it is clearly oriented towards the service industries that support public administration and health.

Invest Hobart: An Investment Prospectus

Hobart is an open, attractive and exciting place to build ideas, invest and do business. We pride ourselves on being a city that drives innovation, sparks creativity, fosters collaboration and welcomes difference.

CITY OF HOBART ECONOMIC PROFILE & OPPORTUNITY

The councils in the Greater Hobart Area (Greater Hobart) of Brighton, Clarence, Glenorchy, Hobart and Kingborough are seeking economic data and analysis to establish a consistent set of baseline data to inform strategic decision making at a local government and regional level.

The report will be used to understand the economic and social trends of Hobart Local Government Area (LGA) with comparisons to Greater Hobart. The report identifies a range of potential opportunities that exist and the role of each council in developing these opportunities as well as opportunities for councils to collaborate for the economic development of Greater Hobart.

❖ Analyse your business idea

It's important to research and analyse your business idea and consider its potential.

Some questions to ask yourself are:

- ✓ Is there a want or need for your product or service?
- ✓ How hard will it be to develop your idea?
- ✓ Is your idea financially viable?

- ✓ How will you protect your idea?
- ✓ Who are your competitors?

Researching your business idea involves gathering, analysing and evaluating information to that will also help you write your business goals.

❖ **Do you have a business or a hobby?**

Work out if your activities are that of a business or a hobby. There are different tax, insurance and legal obligations depending on what you are.

If you are unsure, read our information on the difference between a business and a hobby.



The key differences between having a hobby and a business are your tax, insurance and legal obligations. It's important to understand the characteristics of businesses and hobbies to ensure you correctly determine what your activities are.

Business

There is no single factor that determines if you are in business, but some of the factors you need to consider include:

- ✓ You intend to make a profit – or genuinely believe you will make a profit from the activity – even if you are unlikely to do so in the short term.
- ✓ You've made a decision to start a business and have done something about it to operate in a businesslike manner, such as:
 - registered a business name
 - obtained an ABN.
- ✓ You repeat similar types of activities.
- ✓ The size or scale of your activity is consistent with other businesses in your industry.
- ✓ Your activity is planned, organised and carried out in a businesslike manner. This may include:
 - keeping business records and account books
 - having a separate business bank account
 - operating from business premises
 - having licenses or qualifications
 - having a registered business name.

Benefits of running a business

If you run a business you can:

- ✓ apply for an ABN to use in your business transactions
- ✓ have the flexibility to manage your time and work your own hours
- ✓ register a .com.au website once you have an ABN
- ✓ access to government information, services and concessions for business
- ✓ establish a business identity when selling to customers and other businesses
- ✓ claim tax deductions for business expenses against your taxable income.

Hobby

A hobby is a pastime or leisure activity conducted in your spare time for recreation or pleasure.

Benefits of having a hobby

Having a hobby allows you to:

- ✓ gain personal enjoyment and satisfaction from the activity
- ✓ gift or sell your work for the cost of materials
- ✓ do it in your own time or when people contact you
- ✓ have no reporting obligations of a business.

III. How To Launch Your Small Business



❖ Make key decisions

The decisions you make early on can affect many areas of your business, including the licences you need, how much tax you pay and the volume of paperwork required.

✓ Decide on a business structure

Choosing a structure for your business affects your tax, paperwork and finances, so it's important you get it right. Consider getting expert advice to help you.

✓ **Are you an employee or contractor?**

If you're working on your own you'll need to know your worker status. Find out if you're an independent contractor or an employee before entering into a contract.

✓ **Choose your business location**

Each business has different needs for storage, equipment, or just being close to the right customers. Consider what's important for your business before you decide where you'll be based.

✓ **Choose a business name**

There may be more to choosing a business name than you think. Consider whether the name is unique, available to use or exists as a protected trade mark before you decide.

❖ **Plan your business**

You've analysed your idea and yourself. Next you can plan your future and see how it all comes together.

✓ **Develop your business plan**

Planning out your business gives you direction and keeps your business on track. You'll also need a business plan if you seek finance.

Why you need a business plan

Whether you've just started out or have been running your business for years, business planning can be the key to your success. Having a business plan:

- ✓ **helps you to prioritise** – it gives your business direction, defines your objectives, maps out how you'll achieve your goals and helps you to manage possible bumps in the road
- ✓ **gives you control over your business** – the planning process helps you learn about the different things that could affect your success. If you're already in business, it helps you to step back and look at what's working and what you can improve on

- ✓ **helps you seek finance** – if you're seeking finance for your business, you'll need to show banks and investors why they should invest in your business.

Develop your business plan

Our templates step you through the process of developing a business plan with links to extra information if you need it.



If you're developing a detailed business plan, you may want to check our tips below before you start.

1. Determine what your plan is for

Does your business plan have more than one purpose? Will you use it internally, or will you share it externally, for example with potential investors or banks?

Deciding what the purpose is, can help you develop your plan for the right audience. If the plan has been developed for third parties, you will need to determine what they'll be most interested in.

2. Prepare your finances

If you're looking for finance, lenders and investors will want to know if your finances are in order and your business is in a strong financial position. They'll want to know how much money you currently have, how much money you need and how much you expect to make in the near future. While a bit of extra funding will help you ensure you're covered for unexpected costs, be realistic and avoid asking for more than you need.

If you're starting out and don't have financial information yet, our business plan template provides resources to help you get your finances ready.

3. Write your summary last

Summarise the main points of your business plan using as few words as possible. You want to get to the point but not overlook important facts. This is your opportunity to sell yourself, but don't overdo it. The summary should include details about your business, market, goals and what makes you different from other businesses.

4. Get help

Don't leave your business plan to the last minute. It takes time, research and careful preparation to develop an effective business plan.

If you aren't confident in completing the plan yourself, consider getting a professional to look over it and provide advice.

There are a number of government services available to help you plan, start or grow your business. These services can provide general advice, workshops, seminars and networking events, and can even match you with a mentor or business coach.

5. Review your plan regularly

As your business changes, your plan will need to change to ensure your business is still heading in the right direction. Having your plan up-to-date can keep you focused on where you are heading.

It's a good idea to keep a record of each version of your business plan.

6. Protect your plan

Having an understanding with third parties when distributing a plan could be enough protection for some businesses. But if you have innovative business practices, products or services, you may want people to sign a confidentiality agreement to protect your innovations.

It may also be a good idea to include some words in your plan asking the reader not to disclose the details of your plan.

✓ Create your risk management plan

Having a good risk management plan in place will help guide the business decisions you make and reduce the impact of unexpected events on your business.

✓ Write your marketing plan

Need to tell everyone about your new business? A marketing plan can help you find and reach your customers and work out what makes your business different.

Why you need a marketing plan

Having a marketing plan can help you to:

- ✓ identify your target market and how your product or service can benefit it
- ✓ identify how you might attract new customers
- ✓ encourage your existing customers to continue purchasing your product or service
- ✓ set goals and time frames for your marketing activities

- ✓ map out a strategy to reach your target audience, including the messages, channels and tools you'll use
- ✓ evaluate your marketing activities
- ✓ provide a marketing budget and see your return on investment.

Develop your marketing plan

Our template steps you through the process of developing a succession plan with links to extra information if you need it.



You may want to check our tips below before you start.

1. Analyse your market

Market research can help you to understand your strengths, weaknesses and the opportunities that you can take advantage of. Analysing your own business and your competition can help you identify where you're positioned in the market.

It's important to analyse your competition to identify their strengths and weaknesses. This can help you refine your marketing strategy and what's unique about your business.

A strengths, weaknesses, opportunities and threats (SWOT) analysis can help you determine where your business fits within the market and your unique selling point. Use it to help identify what your business is doing well and how you can improve.

Identifying and understanding your customers is an essential part of your marketing plan. Not everyone is your potential buyer, so it's important to have a clear understanding of your target market early on.

2. Set your goals and objectives

Once you're clear about your business and its positioning, you can start thinking about what you want to achieve. Think about your main business goals, whether it's the size of your business, expansion plans or desired sales. Set specific, measurable, achievable, relevant and time bound (SMART) goals to increase your chances of success in achieving them.

3. Outline your marketing strategies

Once you've set some goals, consider what marketing activity, process or price will help you achieve them.

Try and choose marketing activities that suit your business and your customers. For example, if you want to target young adults, newspaper advertising may not be as effective as a social media campaign.

Choosing multiple activities that complement each other is a good way to help you get your message across. For example, if you're trying to establish a new product in the market, you may choose to advertise on the local radio, as well as setting up social media channels and introducing a low-cost pricing strategy for first-time buyers. When used together, these strategies complement each other and help you reach a broader market.

4. Set your marketing budget

Knowing how much you have to spend on marketing and how to spend it is critical to the success of your business. A marketing budget will ensure you accurately calculate your marketing campaign or advertising.

When developing your marketing budget, make sure you're only spending money on the activities that contribute to your current marketing goals. Advertising and promotion can be expensive. Make sure to pick options that will give you the best value while still reaching your target customers.

5. Keep your marketing plan up-to-date

It's important to evaluate your marketing activities. Analysing your results and being aware of new marketing trends is important to keeping your marketing plan up-to-date and reaching your business goals. You should tweak and change your plan as your business and market grow and change.

✓ Develop your export strategy

If you're going to sell your goods or services overseas, make sure you plan ahead. An export plan can help you discover new markets and the best way your business can operate in them.

❖ Help for your business

Find resources to help you with your business, from general business advice to finance assistance and support for your mental health and wellbeing.

✓ Find help for your business

Need help? Talk to a business adviser, accountant or solicitor for advice. Try one of our low-cost business advisory services.

✓ Find resources to help with your business finances

Financial advisers, accountants or bookkeepers can help you get your finances on the right track.

✓ Get support for your mental health and wellbeing

Being a business owner can be stressful. Find services, resources and information to look after your own and your employees' mental health and wellbeing.

❖ Register your business

To make it official, you'll need to register. This makes sure your business gets taxed at the right rate, avoids penalties and protects your brand and ideas.

✓ **Australian business number (ABN)**

An Australian business number (ABN) is unique to your business. Customers, suppliers and the Australian Taxation Office (ATO) use this number to help identify your business. An ABN is free to register.

✓ **Business name**

A business name helps your customers identify your business from others. If your business name is different to your own name, you'll need to register it.

✓ **Tax registrations for your business**

Not all taxes will apply to your business. It depends on the type of business you're starting, your activities and turnover. It's best to work out what taxes you need to register before you start your business.

✓ **Licences and permits**

From zoning laws to a food licence, the licences and permits you need will vary. They often depend on the location of your business and the industry you're in.

✓ **Company**

A company is a legal entity in its own right. If you've decided a company is the right business structure for your business, you'll need to register.

✓ **Trade mark**

Protect your business name and brand from being used by others by registering it as a trade mark.

❖ **Prepare your finances**

It's essential to take charge of your business finances and know how to manage your cash flow. It could make or break your business. If you need help, consider speaking to a financial adviser.



✓ **Learn how to organise your finances**

Apart from having a business bank account, you'll need to know how to organise your finances. This includes managing cash flow, budgets, payments and invoices. Consider using a bookkeeping or finance system to help you.

✓ **Understand your finance options**

Learn about the different finance options and how they relate to your business situation.

✓ **Develop a pricing strategy**

There's a lot that goes into setting a price for your goods and services. Use the calculations and strategies available to help set your prices so you don't sell yourself short.

✓ **Learn about invoicing and payments**

An invoice allows your customers to pay you for your goods and services and for you to provide them with a record of their purchase. Work out the type of invoice you will need and what to include in your invoices.

❖ **Know the law**

Finding out your business isn't entirely above board can cost you time and money. Start off strong by setting up and protecting your business legally. Consider speaking to a legal professional to help you along the way.

✓ **Learn the legal essentials for business**

There may be different laws that apply to your business activities, like leasing a property or handling private data. Keep on top of these laws to make sure your business stays legal.

✓ **Understand fair trading laws**

Fair trading and consumer laws protect you, your business and your customers. Find out how you can make sure you protect your rights and those of your customers.

✓ **Understand contracts**

When you agree to do a job for another person or business, you're likely to be entering into a contract. Find out what makes a contract fair and what laws there are to protect you.

❖ **Protect your business**

You invest too much time and money in your business to lose it. Protect your investment by planning ahead.

✓ **Manage work health and safety**

As a business owner you are responsible for managing health and safety for you and your employees in the workplace.

✓ **Understand business insurance**

Insurance can help protect your business and your employees against the worst of situations. Find out which types of insurance are essential for your business and those you may want to consider.

✓ **Prepare your business for an emergency**

Planning ahead for what to do in an emergency can strengthen your business and help it recover quicker. To get started, see how you can protect your business assets and establish your emergency procedures.

✓ **Protect your Intellectual Property**

Have a unique business idea and don't want it getting into the hands of the competition? See how Intellectual Property (IP) can help protect your ideas here and overseas.

✓ **Protect your business from cyber threats**

Whether your business is mostly online, or you just use an online system to store your customer information, make sure you have measures in place to keep your business and data safe.

❖ **Prepare for tax**

Getting on top of your taxes now can make things easier in the long run. It can help you avoid penalties and make sure your business is taxed at the correct rate.

✓ **Keep the right records**

A good record keeping system can help you get on top of your records. It can also help you track your progress and seek finance if required.

✓ **Understand taxation for your business**

Understanding tax requirements helps make sure your business is taxed correctly and avoids penalties. Get an overview of record keeping, registering for taxes and your options for paying tax.

✓ **Learn how to lodge and pay for tax**

How you lodge your tax will depend on your business structure. Find out what you need to lodge and if a Business Activity Statement (BAS) is needed.

❖ **Set up operations**

Setting up your business operations properly will save you trouble in the long run, and give you more time to focus on running your business.

✓ **Learn about hiring employees**

You can't always run a business on your own. If you're planning on hiring, make sure you know the steps you need to take and your legal responsibilities.

✓ **Manage your suppliers**

Are you selling products and need a supplier? See what you should consider when looking for a quality supplier and where you can search for them.

✓ **Consider going online**

Taking your business online can provide new opportunities and benefits to your business. Look at ways you can set up your business's online presence, from simply having a social media presence to using e-commerce to sell your products and services to online customers.

❖ **Market your business**

Promote your business and brand to your target audience to grow your customer base.

✓ **How to market your business**

Working out your business's market position will help you to build your business brand, find your target audience and focus on your customers' needs.

✓ **Communicate with customers**

Providing good customer service is not just for when a customer buys from you. Find out what customer service skills you'll need to create customer satisfaction and loyalty.

✓ **Set up a business website**

Thought about having a website for your business? If you want it to match your business name, consider registering your web address as early as possible.

✓ **Establish your brand**

Your business's brand can help you connect better with your customers and help them differentiate you from your competition.

✓ **Plan your social media presence**

A well planned and managed social media presence can help you market your business and connect with your customers.

Buying An Existing Business

If you aren't considering taking an idea and commercialising it, you may be considering buying an existing business in Hobart, Tasmania.



There are lots of elements you may wish to consider, and any purchase needs to have due diligence undertaken to ensure that what you see and is in the contract is what you are getting.

Aside from looking at the books, spending time with the sellers, having legal and business advice from a qualified, registered professional, you should also consider talking to current suppliers and customers, looking across the business' suite of brand and marketing assets as well as ensuring there will be sufficient onboarding or handover.

Hobart, Tasmania offers a plethora of business opportunities, from established enterprises to exciting startups. With a range of industries thriving in the area, including tourism, hospitality, agriculture, and technology, entrepreneurs can explore numerous options. Additionally, those interested in acquiring an existing business for sale can find a variety of enticing opportunities for sale in Hobart, Tasmania, providing a ready-made platform for success in this vibrant city.

For excellent business opportunities in Hobart, TAS, visit the below link if you are interested in purchasing a business for sale in Hobart.

<https://www.business2sell.com.au/businesses/tas/hobart>

IV. Support For Small Businesses In Tasmania

Advice and local support is so important when you're starting out in business.

In Tasmania, there are Enterprise Centres across the State set up to give you free guidance, tools and advice across the life cycle of your business. You can find an Enterprise Centre and an experienced business advisor in a location near you at the Enterprise Centre website.

<https://www.enterprisecentres.tas.gov.au/>

V. Final Words

Tasmania offers a conducive environment for starting a small business, with its supportive government policies, access to resources, and thriving entrepreneurial community. From niche markets to emerging industries,

Tasmania provides ample opportunities for aspiring entrepreneurs to turn their business ideas into successful ventures. With careful planning, research, and utilization of available resources, starting a small business in Tasmania can pave the way for growth and prosperity in this dynamic region.

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