# Starting A Business From Scratch In Frankston, Melbourne

PREPARED FOR :

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## Abstract

Starting a business from scratch in Frankston, Melbourne, presents a unique opportunity for entrepreneurs looking to establish themselves in a growing and vibrant community. This paper explores the key steps and considerations involved in launching a successful business, including market research, legal requirements, funding options, and marketing strategies. Frankston's diverse economy, coastal location, and increasing investment in local infrastructure make it an attractive destination for startups. Additionally, access to government support, networking opportunities, and the city's strong local consumer base contribute to a promising business environment. This abstract provides insights into overcoming challenges, leveraging resources, and building a sustainable business in Frankston, Melbourne.

## 1. Introduction

Starting a business from scratch in Frankston, Melbourne, offers aspiring entrepreneurs a promising landscape filled with opportunities. As a rapidly developing coastal city, Frankston provides a strong local economy, a supportive business environment, and a growing population, making it an ideal location for startups. However, launching a business requires careful planning, research, and strategic decision-making. Entrepreneurs must navigate key aspects such as market analysis, legal and financial requirements, branding, and customer engagement to establish a strong foundation. This paper explores the essential steps to starting a successful business in Frankston, including understanding the local market, securing funding, meeting regulatory requirements, and developing effective marketing strategies. By leveraging available resources and embracing innovation, new business owners can create a sustainable and profitable venture in this dynamic region of Melbourne.

## 2. Develop Your Business Plan

**1. Decide who your plan is for**

Work out who your plan is for and how you're going to use it. Is it just to guide you and your staff? Or will you share it with others, like potential investors or banks?

Knowing who and what your business plan is for helps you target it to the right audience. If you're developing the plan for people outside your business, you'll need to determine what they are most interested in.

**2. Prepare your finances**

Use our detailed business plan template if you are seeking funding for your business.

Lenders and investors want to see that 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

money you need

money you expect to make in the near future.

While a bit of extra funding can help you cover unexpected costs, it's best to be realistic and not ask for more than you need.

It's OK if you're starting out and don't have all this financial information yet – our template includes resources to help you get your finances ready.

**3. Write your summary last**

Your business plan summary should include details about your business, market, goals and what makes you different from other businesses. It's often easier to write this once you've completed the rest of the business plan.

The summary is your opportunity to sell yourself, but don't overdo it. Summarise the main points of your business plan using as few words as possible. You want to get to the point but not leave out any important facts.

**4. Take your time and get help if you need it**

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 need help with your business plan, consider getting a professional to look over it and give you advice.

**5. Review your plan regularly**

Your business plan will need to change as your business changes and grows. Review and update your plan regularly to stay focused and make sure your business keeps heading in the right direction.

It's a good idea to keep previous versions of your business plan in your records.

**6. Protect your plan**

If you have innovative business practices, products or services, you might want people to sign a confidentiality agreement before you share your business plan with them.

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

## 3. The Basics of Financing a Business


**What Is Business Financing?**

Unless your business has the balance sheet of Apple, at some point you will probably need access to capital through business financing. Even many large-cap companies routinely seek capital infusions to meet short-term obligations. For small businesses, finding a suitable funding model is vitally important. Take money from the wrong source, and you may lose part of your company or find yourself locked into repayment terms that impair your growth for many years into the future.

**What Is Debt Financing?**

Debt financing is a concept you may already be familiar with if you have a mortgage or an automobile loan. Both mortgages and automobile loans are forms of debt financing. Debt financing for a business comes from a bank or some other lending institution. Although private investors can offer debt financing to you, this is unusual.

Here is how debt financing works: When you decide you need a loan, you head to the bank and complete an application. If your business is in the early stages of development, the bank will check your personal credit.

For businesses that have a more complicated corporate structure—or have been in existence for an extended period—banks will check other sources. The Dun & Bradstreet (D&B) file is one of the most important sources of information on the credit history of a business.1 In addition to the credit history of your business, the bank will likely examine your books and complete other due diligence before agreeing to lend you any funds. Before applying, make sure all your business records are complete and organized.

If the bank approves your loan request, it will set up payment terms—including interest—and send the money to the business bank account you specify.

**Advantages of Debt Financing**

There are several advantages to financing your business through debt:

The lending institution has no control over how you run your company, and it has no ownership.

Once you pay back the loan, your relationship with the lender ends. That is especially important as your business becomes more valuable.

The interest you pay on debt financing is tax deductible as a business expense.2

The monthly payment, as well as the breakdown of the payments, is a known expense that can be accurately included in your forecasting models.

**Disadvantages of Debt Financing**

However, debt financing for your business does come with some disadvantages:

Adding a debt payment to your monthly expenses assumes that you will always have the capital inflow to meet all business expenses, including the debt payment. For small or early-stage companies, this may not always be true.

Small business lending can be slowed substantially during recessions. In tougher times for the economy, it can be difficult to receive debt financing.

**What Is Equity Financing?**

Equity financing comes from investors, who are referred to as venture capitalists or angel investors.

A venture capitalist is usually a firm, rather than a single individual. The firm has partners, teams of lawyers, accountants, and investment advisors who perform due diligence on potential investments. Venture capital firms often deal in significant investments, so the process is slow and the financing is often complex.

Angel investors, by contrast, are generally wealthy individuals who want to invest a smaller amount of money into a single product—instead of building a business. An ideal candidate for an angel investor, for example, is a software developer who needs a capital infusion to fund their product development. Typically, angel investors move fast and want simple terms.

**Advantages of Equity Financing**


Funding your business with funds from investors has several advantages:

The biggest advantage of equity financing is that you don't have to pay back the money. If your business enters bankruptcy, your investors are not creditors. They are partial owners in your company; their money is lost along with your company.

You don't have to make monthly payments, so there is often more liquid cash on hand for operating expenses.

Investors understand that it takes time to build a business. With equity financing, you get the money you need—without the pressure of your product or company being required to thrive within a short period of time.

**Disadvantages of Equity Financing**

Similarly, there are several disadvantages to equity financing:

When you raise equity financing, it involves giving up ownership of a portion of your company. The more significant (and riskier) the investment, the more of a stake the investor will want. You might have to give up 50% of your company. Unless you later construct a deal to buy the investor’s stake, as a partner they will take 50% (or more) of your profits, indefinitely.

With equity financing, you'll be required to consult with your investors before making any business decisions; if an investor has more than 50% of your company, you have a boss now.

**What Is Mezzanine Financing?**

A lender is always looking for the best value for its money—with the least amount of risk. The problem with debt financing is that the lender does not share in the business's success. All the lender receives is its initial funding—plus interest—while taking on the risk of default. That interest rate will not provide an impressive return—it will likely only offer single-digit returns.

Mezzanine financing often combines the best features of equity and debt financing. Although there is no set structure for this type of business financing, debt capital often gives the lending institution the right to convert the loan to an equity interest in the company if you do not repay the loan on time—or in full.

Mezzanine financing is not as common as debt or equity financing. The deal, as well as the risk-reward profile, is specific to each party.

**Advantages of Mezzanine Financing**

Choosing to use mezzanine financing comes with several advantages:

This type of loan is appropriate for a new company that is already showing growth. Banks may be reluctant to lend to a company that does not have at least three years of financial data.4 However, a newer business may not have that much data to supply. By adding an option to take an ownership stake in the company, the bank has more of a safety net, which can make it easier to secure this type of loan.

Mezzanine financing is treated as equity on the company's balance sheet. Showing equity—rather than a debt obligation—makes the company look more attractive to future lenders.

Mezzanine financing is often provided very quickly.

**Disadvantages of Mezzanine Financing**

There are some disadvantages to securing mezzanine financing:

The coupon or interest is often higher because the lender views the company as high risk. Mezzanine financing provided to a business that already has debt or equity obligations is often subordinate to those obligations, increasing the risk that the lender will not be repaid. Because of the high risk, the lender may want to see a 20% to 30% return.5

Much like equity financing, the risk of losing a significant portion of the company is genuine.

## 4. Steps to register your business name

You can register a business name using the Australian Government's Business Registration Service. BRS combines several business and tax registrations in one place, making it even easier to start a business.

**How to register a business name using ASIC Connect**

You can also register a business name directly with ASIC by using ASIC Connect. For a visual guide, read our 'How to register a business name' user guides.

**Log in to ASIC Connect and select the 'Licences and Registrations' tab at the top of the page**

If you don't have an ASIC Connect account, you can register online.

If you're logging in for the first time, make sure you say 'No', you don’t have a current business. You don't need an ASIC key to register.

**Select 'Business name' from the drop-down box**

Select 'business name' from the drop-down box and select 'Go'. Read the information and make sure you tick the boxes. Select 'Get started'.

**Enter your Australian Business Number (ABN)**

You must have an Australian Business Number (ABN) or have applied for an ABN to register a business name. Select the relevant option, enter your ABN, and select 'Next'. You must enter your ABN without any spaces.

**Enter the proposed business name**

Enter the proposed business name exactly as you would like it to appear on our register. Business names are case sensitive.

**Select the registration period**

You can register a business for one year or three years. After this period, it must be renewed.

**Enter the business name holder's details.**

Enter the proposed business name holder details (e.g. the holder's date of birth)

**Enter the proposed business name's addresses**

Enter the addresses of the proposed business name.

**Confirm the eligibility to hold the business name.**

To hold a business name, the holder cannot be disqualified or convicted of criminal offences outlined in the Business Names Registration Act 2011.

**Review your application**

Review your application; make sure your business name is spelt correctly. Complete the declarations and confirm you're authorised to submit the application.

**Make payment and confirm your transaction.**

You can pay by credit card, BPAY, or request an invoice. If you don't pay within 10 days, your application will be cancelled and you will need to reapply.

Once you've made payment, you'll see a confirmation screen. Once payment has been made, your business name should be registered within 48 hours.

**Sign up Log in**

Step 1 - Log in to ASIC Connect and select the 'Licences and Registrations' tab at the top of the page

If you don't have an ASIC Connect account, you can register online.

If you're logging in for the first time, make sure you say 'No', you don’t have a current business. You don't need an ASIC key to register.

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Step 6 - Enter the business name holder's details.

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Step 7 - Enter the proposed business name's addresses

Enter the addresses of the proposed business name.

Step 8 - Confirm the eligibility to hold the business name.

To hold a business name, the holder cannot be disqualified or convicted of criminal offences outlined in the Business Names Registration Act 2011.

Step 9 - Review your application

Review your application; make sure your business name is spelt correctly. Complete the declarations and confirm you're authorised to submit the application.

Step 10 - Make payment and confirm your transaction.

You can pay by credit card, BPAY, or request an invoice. If you don't pay within 10 days, your application will be cancelled and you will need to reapply.

## 5. Build a Good Team for Business Success

You might have the best business ideas in the world, but it's hard to develop a business alone. At some point, you'll need to put together a business team. To begin you should identify what roles you need to fill and find candidates with the appropriate experience. Once the team is in place, you can build a sense of comradery by communicating effectively and engaging in team-building exercises.

**Hiring the Right People**

Identify the skills you lack. The members of your business team should contribute in ways you can't. Honestly self-assess what skills you lack.[1] Then go out and find people with those skills.

Define roles clearly. Employees need to know their job duties. Undefined roles can create confusion and lower your team's morale. Work won't be completed on time, and people will begin stepping on each other's toes. Before advertising your job, you should spend some time outlining the duties of each new hire.

Ask your network for referrals. Instead of immediately placing a "help wanted" ad online, you should ask people you know if they would recommend someone for the job. Employees found this way often stay with a company for a longer time.

Look for relevant experience. Ideally, the people you hire will have the appropriate experience to jump right into their jobs. If you are a startup or a small business, you might not have a lot of time to train people. Employees will also feel more engaged if they are able to immediately contribute to the team.

Describe your vision to job candidates. You should let potential employees know how you see the business. Remember to discuss the following with potential hires:

Find job candidates committed to your business. Instead of having a standard interview, you should mix things up so that you can gauge a person's interest in your business. Consider the following interview techniques:

Seek out diversity. If all of your employees are like you, then you'll never feel challenged at work. Your business will benefit from a diversity of personalities and life experiences. Find people who aren't like you by paying attention to communication styles when interviewing.

Don't hire family or friends. People close to you will lack the incentive to be truthful. Instead, they'll want to avoid crushing your dream.[5] It's better to hire people who will level with you.

Check in after a month. Once you've hired someone, schedule a meeting one month in. Check to see how the employee is doing.

## 6. Why You Should Buy A Business Instead Of Starting One

Becoming a business owner is commonly associated with starting a business. However, another path to entrepreneurship is through acquisition, or purchasing an existing business.

While starting a business gives you a blank slate to create exactly what you want, making it operational and profitable can be a difficult process. The riskiest part of starting any new business is figuring out whether a business model will actually work. On the other hand, there are many benefits to buying an existing business with a proven track record.

**Momentum**

When you're starting a business, one of the core questions founders ask themselves is, "How are we going to make money?" Cash flow is the lifeblood of any business, big or small, and competing in a market as a newcomer can be very difficult because founders are starting with zero customers, zero brand name and zero income. Fortunately, this isn't the case if you’re buying an established, existing business.

This idea of momentum extends far beyond a business’s financial performance. Buying a business brings established relationships with vendors, customers and employees. Starting out with the operational systems that presumably made the company attractive enough for you to buy it in the first place removes risks associated with the time and energy spent seeking out, creating and growing these systems incrementally.

**And did I mention the cash flow?**

**Likelihood Of Success**

Data from the Bureau of Labor Statistics states just over 20% of new businesses don't make it past their first birthday, only about half see their fifth birthday and failure rate declines with time as you approach 10 years. This means that if a business has weathered the test of time, chances are the business found product market fit, was able to generate income and built some sort of sustainable operation. In other words, some of the initial risks that new businesses face have been removed.

This can be further backed up if we look at the default rates on the Small Business Administration's (SBA) 7(a) loan program, a leading financing method for small business acquisitions. Over the last 12 years, the percentage of loans that resulted in a charge-off (which measures loans that the SBA considers uncollectible) was 3.9%.

So, is buying a business right for you?

**What To Consider Before Buying**

**Due Diligence**

What you see on the outside may not be a true picture of how the company is run under the hood. Establishing a thorough due diligence process is essential for spotting potential issues and providing a basis for comparison when evaluating one opportunity to another.

**Affordability**

Buying a business undoubtedly has barriers to entry—the top one likely being capital. Small business lenders often require a minimum of 10% equity injection (i.e., down payment). This means that if you were interested in buying the company for $1,000,000, you would need a minimum of $100,000 to commit (oftentimes, half can be in the form of a seller note). This is, of course, oversimplified, and other costs will be incurred (like professional fees and closing fees).

**Your Interests**

If you have a truly unique business idea that you are deeply passionate about, starting a new business may be your only option. However, if you have skills or a general interest that you care about, consider looking into businesses for sale that could be a potential fit. Buying an existing business is a function of where you can best put your skills to use.

Buying a business offers you a foundation to fulfill your entrepreneurial desires and leave your imprint, and it is a radically different career path and lifestyle than starting from scratch (or working for someone). From Day 1, it allows you to lead, make decisions that matter and have a direct impact on your ability to earn.

## 6.1.Business For Sale Frankston, Melbourne


**Highly Rated Cafe with a Famous Breakfast Menu...**

**Frankston, Melbourne, Victoria**

**$249,000**

Available for acquisition is a beloved cafe in bayside with a 4.6 google rating. the cafe is located adjacent to a major transport hub, ensuring consi available for acquisition is a beloved cafe in bayside with a 4.6 google rating. the cafe is located adjacent to a major transport hub, ensuring consistent high traffic all year round. the business operates seven days a week with...

**Cafe and Coffee Shop**

**Highly Rated Cafe with a**

**Restaurants For Sale in Frankston Melbourne VIC**

**TGI Fridays Frankston- Join the World's largest American Bar & Grill - Multiple Sites, Nationally!...**

**Frankston, Melbourne, Victoria**

**$500,000**

Are you ready to own a thriving restaurant in one of frankston's busiest locations? this is your chance to take over a well-established and fully operational tgi fridays franchise in frankston, wa. why tgi fridays?a global powerhouse – join a network of 900+ restaurants across 60+ countries, with strong bran...

**RestaurantFranchiseFood, Beverages & Hospitality**

**TGI Fridays Frankston- J**

**Takeaway Shop in Melbourne VIC**

**Delicious Six Day Pizza Takeaway in Frankston Ref: 19954...**

**Victoria**

**$POA**

Takings: $4,500 per week approx.-this pizza takeaway is well located along a busy shopping street in frankston, attracting a steady flow of custo takings: $4,500 per

## Conclusion

Starting a business from scratch in Frankston, Melbourne, requires careful planning, market understanding, and strategic execution. With its thriving economy, supportive community, and access to government initiatives, Frankston presents a promising environment for entrepreneurs. By conducting thorough market research, complying with legal requirements, securing funding, and implementing effective marketing strategies, new businesses can establish a strong foothold in the local market. While challenges such as competition and operational costs exist, leveraging available resources, networking with local business groups, and adopting innovative approaches can lead to long-term success. With determination and the right strategies, entrepreneurs can build a thriving business in Frankston, contributing to the city's economic growth and benefiting from its expanding opportunities.

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