

"Don't waiver from those core values. One of mine is around staff. I know that staff will come and go so one of my goals is to ensure they walk out a better person and lawyer than when they walked in."

Colin also recommends writing down not just your business goals but also your personal, financial and life goals.

"These dictate all the other stuff so make them realistic, not limiting, and aspirational. Then review them every few years."

The stuff they don't tell you

While running your own business might mean working your own hours, being in control of your finances, be prepared for setbacks and maybe even working weekends.

"In the first year I didn't pay myself a wage and the following year 30 per cent of what I was earning before," Colin recalls.

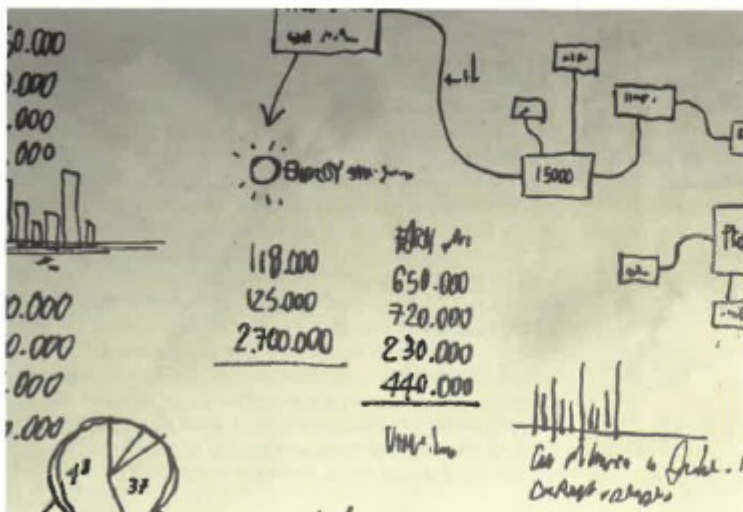
Holidays too might be a little few and far between in the first few years, but technology and the internet do make it possible to operate from just about anywhere at any time.

Make sure you also have a good team around you. Engage a good lawyer, accountant and insurance broker. Banks can often help with financial advice for small business or a good accountant will point you in the right direction. Don't forget you will need to set aside GST collected and pay it each quarter so employ a reliable bookkeeper if finance is not your thing.

"What is surprising however is that I never thought it would grow to the size it has. To do that you need to share and be something with others. The hardest decision for anyone to grow is to share with others. You cannot do it alone, you need support all around you as you cannot do everything," Colin advises.

If this sounds like you then start planning, talk to people who have been there before you, find good professionals to support you and then jump in - it's a very interesting ride. ■■■

Words by Jennifer Ross



Accountant's advice

More than 60 per cent of small businesses in Australia fail during the first three years of establishment. Research has found that those initial three years are crucial in determining the fate of the business.

John Corias, Senior Partner at small business accounting firm m.a.s accountants, shares his take on the top three challenges small businesses face and how to overcome them.

1. Rising energy bills

Energy costs can be a significant percentage of a small business's turnover but there are ways to mitigate this issue. Firstly, have a look at what a broker in the energy space can do for your business. Another way is to look at different forms of energy, such as a solar installation system, where you can sell power back to the grid. Lastly, look at long-term energy over a long period of time as the rates will drop significantly.

2. Cash flow headaches

If you need to pay your expenses before you recoup money owing to you, then you have a cash flow problem. A way to keep an eye out for these things is to invest in a good piece of accounting software that integrates with your business. The last thing you want to do after managing the business all day is to go home and work out figures and numbers - smarter technology will help with that.

3. Fearing a big tax bill

As accountants, we do our best to minimise the amount of taxes you have to pay. However, I advise clients to try to change their mindset when it comes to paying tax. Ultimately, the bigger your tax bill, the better your business is doing. Small businesses should accept this as an indicator of your business doing well.

Lastly consider the legal and accounting aspects of the business. Often when small businesses are looking for accountants or lawyers to solve a big problem, it's too late. If you cannot afford a lawyer or an accountant when starting your business to make sure everything is set up correctly, then you should think twice about starting your own company.

m.a.s accounting has offices in Sydney and Melbourne www.masaccounting.com.au