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Business News Northern Ireland

Welcome to our round up of the latest business news for our clients. Please contact us if you want to talk about how these updates affect your business. We are here to support you!

Evaluating a business idea: A guide for aspiring entrepreneurs

The economy is continuing to grow, according to the latest figures for the April to June quarter. Gross Domestic Product (GDP) is estimated to have increased by 0.6% for the quarter. This compares with an increase of 0.7% for the January to March quarter.

Two quarters of growth after last year's recession is encouraging news for businesses and the economy as a whole. Economic growth creates new market opportunities, making it an ideal time for entrepreneurs to develop and launch innovative business ideas.

Of course, every successful business begins with a compelling idea, but not all ideas translate into viable businesses. Whether you are thinking about setting up in business or looking at a new idea to expand your existing business, evaluating a business idea is a crucial first step that can save time, money, and effort.

In this article we look at five areas that can help you assess whether your concept has the potential to thrive in the marketplace.

1. Market research

Before diving into the details, it's essential to understand what your potential market looks like. This involves:

- Identifying your target market: Who are your potential customers? Can you define your ideal customer profile, perhaps considering their age, income profile, preferences, and buying behaviours?
- Assessing market demand: Is there a demand for your product or service? As well as any personal experience and observations you might have, you could look for industry reports, customer surveys, and trends that indicate a need or gap in the market.
- Analysing competitors: Who are your direct and indirect competitors? Do what you can to understand their strengths, weaknesses, pricing strategies, and market positioning. This will help you in identifying your unique selling proposition.

2. Value Proposition

Your value proposition is what sets your business apart from other businesses. It answers the question: *Why should customers choose your product or service over others?*

Some things you could consider are:

- Uniqueness: Is your product or service unique? If not, how can you differentiate it? This could be through pricing, features, quality, customer service, or brand positioning.
- Customer Pain Points: Does your business idea address a specific problem or need that customers have? Solutions that directly alleviate pain points are often the most successful.

3. Financial Viability

Even the most innovative ideas can falter if they are not financially sustainable. So, take some time to evaluate the business idea against the following areas:

- Initial Investment and Costs: Estimate the initial capital required to launch the business, including the cost of any product development and marketing, as well as costs related to establishing and operating the new business. Consider the amount of time you'll need to invest, is this a worthwhile use of your time?
- Revenue Model: How will your business make money? There may be a number of different ways to generate an income, for instance sales, subscriptions, licensing, or advertising.
- Pricing Strategy: Determine your pricing model based on cost, the competition, and the perceived value of your product or service. Make sure that the price will cover all your costs and allows for you to make a profit.
- Break-Even Analysis: Calculate the break-even point where your revenue will cover all expenses. This helps you understand how long it will take to become profitable.

4. Legal Considerations

There are several legal matters to consider when setting up a business, and understanding them is vital to avoiding future complications:

- Business Structure: Choosing the right business structure (e.g., sole trader, partnership, limited company) makes a difference to the tax and administrative requirements of the business.
- Intellectual Property: If you will rely on trademarks, patents or copyrights, then you will want to make sure these are secured.

- Regulatory Compliance: Depending on the industry you'll operate in there will be specific regulations and licensing requirements that will apply to your business. Identify them and work out what will be needed to comply.

5. Operational Feasibility

There are many practical aspects to running a business, so consider these too as part of your evaluation.

- Resources and Skills: Do you have the necessary skills, resources, and team to execute the idea? If not, can you acquire them?
- Supply Chain and Logistics: Evaluate how you will source materials, manage inventory if that's relevant to your business, and deliver products or services to customers.
- Scalability: Can your business idea be scaled over time? A scalable business model can grow without a corresponding increase in costs.

In addition to these five areas, you may also want to consider what the risks are to your business idea and how you could mitigate them. You could also look to get feedback from potential customers or experts.

Conclusion

Evaluating a business idea is a multi-faceted process that requires careful analysis and planning. By taking the time to thoroughly consider your idea, you can increase the likelihood of turning it into a successful business.

Remember, it's better to spend time refining or even pivoting your idea now, than to rush into a venture that may not be sustainable in the long run. A well-evaluated idea lays a strong foundation for business success.

As business experts, we have the tools and experience to help entrepreneurs evaluate business ideas and provide grounded and practical advice. Why not give us a call to see how we can help you?

Inflation increases to 2.2% in July

The Office of National Statistics has reported that inflation for July has risen to 2.2%. This is the first rise of 2024 after inflation fell during the early part of the year and then settled at 2% for May and June.

A rise was expected because energy prices are now falling by less than they were doing a year ago.

This means that inflation has now gone back above the Bank of England's target. However, the Bank themselves expected this, and many economic forecasters are predicting that inflation will stay above 2% for the rest of the year.

Encouragingly, inflation for services dropped from 5.7% to 5.2% in July. This was a larger drop than expected and is primarily due to a fall in inflation on restaurant and hotel pricing. It seems this may be due to the temporary effect on pricing brought about by Taylor Swift's concerts, as well as increases to cover the minimum wage uplifts now levelling off.

The increase suggests that there is still pressure on prices and so business owners need to continue careful budgeting of costs as well as reviewing pricing to ensure profit margins.

See:

<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/latest>

Extending Child Benefit payments: What you need to know

As GCSE results day approaches on 22 August 2024, many families are considering the next steps for their school-leaving children. If your child plans to continue in approved education or training, it's important to extend your Child Benefit claim before 31 August to avoid missing out on financial support.

When can you extend your Child Benefit?

Child Benefit can continue if your child, aged 16 to 19, is enrolled in full-time non-advanced education or approved unpaid training.

This includes:

- Non-Advanced Education:
 - A levels or Scottish Highers;
 - International Baccalaureate;
 - T levels;
 - NVQs up to level 3; and
 - Home education, if started before the child turned 16, or after 16 with a special educational needs statement assessed by the local authority.
- Approved Unpaid Training:
 - In Wales: Foundation Apprenticeships, Traineeships, or the Jobs Growth Wales+ scheme;
 - In Northern Ireland: PEACEPLUS Youth Programme 3.2, Training for Success, or Skills for Life and Work; and
 - In Scotland: the No One Left Behind programme.

If your child will be continuing their education via one of these routes, then you can extend your Child Benefit payments.

When Can't You Extend Child Benefit?

You cannot extend Child Benefit if your child is entering full-time employment, starting an apprenticeship that's part of a job contract, or enrolling in a course not classified as non-advanced education.

How to Extend Your Child Benefit Payments

To extend your claim, you need to inform HM Revenue and Customs (HMRC) by 31 August 2024.

Fortunately, the process is quite simple and can be done online via GOV.UK or the HMRC app. You'll need a Government Gateway user ID and password, which you can easily set up if you don't have one already. Have your National Insurance number or postcode, and two forms of ID ready to register.

So far, more than 270,000 parents have successfully extended their claim digitally. This method updates your records immediately and saves you the hassle of waiting on the phone.

If you are unable to handle the claim online, then you can still contact HMRC by post or phone.

Don't miss out

Child Benefit can be a significant financial help, offering up to £1,331 annually for the first or only child, and £881 for each additional child. Missing the deadline means your payments will stop.

Even if you've opted out of receiving payments due to the High Income Child Benefit Charge, it's essential to keep your claim details up to date. You can opt back in quickly if your circumstances change.

What if your child changes their mind?

If your child decides not to continue with their education or training, you can easily inform HMRC online or via the app. Your Child Benefit payments will be adjusted accordingly. You can also check your claim status, view payment details, and manage your claim through the app or online portal.

Act Now

With the 31 August deadline fast approaching, don't delay in extending your Child Benefit claim.

If you need any help with your claim, please feel free to get in touch with us. We would be happy to help you!

See: <https://www.gov.uk/government/news/extend-child-benefit-for-your-teen-by-31-august>

New tool available to help create privacy notices

The Information Commissioner's Office has launched a new tool that can help small businesses create a bespoke privacy notice that protects people's information rights.

By law, businesses must explain why it holds people's information and what it does with it. This allows customers, suppliers, staff and volunteers to know what will be done with their personal information.

Many businesses choose to display this privacy notice on their website.

The new tool can help create a tailored privacy notice for businesses in various industry sectors. For instance, it includes sections specific to businesses in finance, legal, insurance, education and childcare, health and social care, retail and manufacturing. The tool can also assist charities and volunteer organisations.

The tool can create two different types of privacy notice - one for customers and suppliers, and another for staff and volunteers.

Businesses that already have a privacy notice could check that it is up-to-date against the generator.

To use the privacy notice generator, see: <https://ico.org.uk/for-organisations/advice-for-small-organisations/create-your-own-privacy-notice/>

Free staff training: An opportunity to develop your workforce?

A variety of fully funded training courses are now available for the 2024-25 academic year, offering a valuable opportunity for small businesses to develop their workforce.

The Skill Up initiative, funded by the Department for the Economy and the Northern Ireland Office, provides further and higher education training in a wide range of subjects, leading to accredited qualifications from Level 1 to Level 7.

Most courses are offered online, which makes it easier for your employees to gain new skills or enhance existing ones.

The programme is designed to help businesses in Northern Ireland like yours by addressing local skills gaps and providing access to free training that fills these needs. The subjects available include advanced manufacturing, business, computing, green skills, hospitality, leadership and management, and more.

Applications are now open for the academic year starting in September 2024.

For more details on the courses available and how to apply, see: <https://www.nibusinessinfo.co.uk/content/skill-programme-retrain-and-upskill-your-staff>