



# **DRS BUSINESS SOLUTIONS**

*your route to business success*

## **10 Top Tips when applying for Start Up Funding**

As a Business Advisor who has helped about 100 Start-Ups successfully apply for funding to kick start their businesses, I've put together my top tips to help you.

1. **Do you have a business?** This might sound like a daft question, but you need to decide if your idea is actually a monetised hobby, maybe generating a few grand a year, or a serious venture with the level of profitability that can give you a sensible contribution to your personal outgoings by, say, month 6 of year 1. Also, could the business be scaleable, with the potential to grow in future years?
2. **Are you fundable?** The Government Start Up Loan ('SUL') is a unsecured personal loan, so it makes sense to check out your personal credit situation as your credit history will be reviewed to assess the affordability of the loan when you register to apply for a Start Up Loan.
3. **How much do you really need?** Assuming you feel ready to register for a SUL using this link: [www.transmitstartups.co.uk/DRS](http://www.transmitstartups.co.uk/DRS) (I will be you advisor if your registration is successful) it's time to start thinking about how much funding your venture is really going to need. Too many people apply for the maximum amount available (£25,000) without considering the essential requirements to get the business going. Most successful applications are around the £10,000 - £12,000 mark. Remember, larger loans = larger repayments. Bear in mind too that the loan can support a wide range of costs, including some running costs (usually up to three months trading), but not training or building costs.
4. **It's never just about the bag of money.** Sure, getting the funding is important, but a solid plan and forecast is equally important. I work closely with my Start-Ups, advising them at each step of the journey, to ensure they have considered all aspects of their plan, whilst seeking to ensure their forecast reflects credible sales and sensible overheads.
5. **Market, Market, Market.** This is one of the most important aspects of a plan, but so often the most neglected. You might have a great idea, but have you researched the marketplace and developed a sensible strategy to approach it? Remember, the loan application can include a marketing budget – it's not restricted to capital items.
6. **Competition.** The writer said 'there is nothing new under the sun', and it's true, so research you competitors, but set out why your target customers should buy from you – what are your differentiators?
7. **Consistency.** Ensure your plan and financial forecast are consistent. The copy and the numbers must support each other, and you can't have one without the other!
8. **Persistency.** Once I send you links to a templated plan and forecast, I will talk you through them, but you need to own and feed them. The exercise is not great, but it can seem daunting if you haven't completed one before. A key point – once you receive your plan and

forecast template, don't leave them – make a start - you will feel better straightaway, and you have me as your advisor to help you. A word of warning too – if you leave it too long, it's likely you will need to reapply for another credit review, which can slow up your application, so crack on with it!

9. **Perfection is unnecessary.** Don't worry about producing the perfect business plan, as there is no such thing. My job as your dedicated business advisor is to tell you when it's good enough to submit it for final review and (hopefully!) approval.
10. **Sustainability.** Starting a business isn't for the faint hearted, but it can be tremendous fun (I've enjoyed every minute of my journey). It's about commitment, and frankly, hard work. Your determination needs to be reflected in a realistic business plan and forecast that can demonstrate a prudent build in sales in those early critical months, leading to a business that can be maintained in the long term. And as an ex Finance Director, I seek to support my clients by advising, coaching and challenging them because I want to 'keep them on plan' so they are still growing in wealth, years down the line.
11. **Don't put it in the drawer.** A plan shouldn't be a long document that no one reads (the plan supporting a SUL Application certainly isn't). It should be focussed, useful to you, and capable of being easily updated as your venture evolves, providing you with ongoing income beyond year 1.

I do hope these tips have been helpful. If you would like to discuss an application for a Start Up Loan, you can contact me on 07774 548822 or email me at [ralph@drs-business-solutions.co.uk](mailto:ralph@drs-business-solutions.co.uk)

I'd be delighted to support you.