

THE STARTUP 101

Your guide to starting a business in Guernsey

Find tools, tips and worksheets to help take your business idea and make it a reality





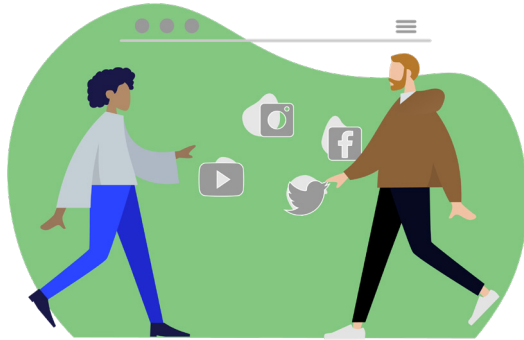
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PLANNING

The first steps to starting your business are all about planning. In this section of the guide, we'll take you through some of the things to consider when taking your idea and developing it into a business.

NOTES

Go from wantrepreneur to entrepreneur, sign up for our next Business Bootcamp



RESEARCH

You may have woken up with the idea of the next unicorn business*... Great! But how do you get started? The first step is research. It is possibly the most important of all the steps - you should take the time to look at all the aspects of the business. It is key to ask yourself the tough questions below.

Who is your customer?

Who will be your competitors?

Where will your business fit into the market?

If you feel your business is viable it could be a good idea to perform some market research. This will help you work out who your customer is and engage them to obtain valuable information, like if they would want to buy your product or services.

** 'A unicorn is a term used in the venture capital industry to describe a privately held startup company with a value of over \$1 billion.' says James Chen in Investopedia.*

CUSTOMERS



As an entrepreneur, your main focus should be on the customer. The most common mistake to make is thinking that everyone is your customer. Whilst your product or service might appeal to a wide variety of people, starting with a small core customer group is one of the best strategies for success. Focusing your efforts on understanding them and developing products and/or services to meet their needs will be key.

A great way to help you understand your customers' needs is to develop a persona for them. This will give you tangible characteristics and scenarios to base any business development or marketing decisions on.

	Emma Smith	Title:	Sales Assistant
		Decision Maker:	Yes
		Industry:	Online Gambling
		Age:	26
		Salary:	£35,000 / year
		Education:	A Levels
	Goals:	Gain insight into marketing techniques	
	Challenges:	Low experience in industry	

A customer persona is a fictional representation of a business' ideal customer; they are generally based on user research and incorporate the needs, goals, and observed behavior patterns of your target audience.

One tool that we think is really useful to help you develop one is a Persona Canvas by Design A Better Business. It can help you to put yourself in the customer's shoes and provide you with a really clear overview of their motivations.

Need some help?
Visit Design a Better
Business Website



PERSONA CANVAS

NEGATIVE TRENDS
Negative trends from the environment

POSITIVE TRENDS
Positive trends from the environment

HEADACHES
Professional and work related issues

NEED
What does this person really want?

OPPORTUNITIES
Professional and work related positive outcomes

FEARS
Personal issues

NAME _____

ROLE _____

HOPES
Personal goals and hopes

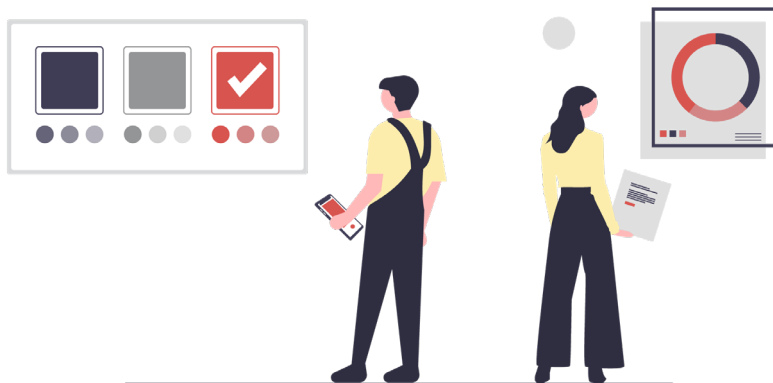
What is a brand? Your brand is your identity and it should be built around the story of your business from the first idea, evolving alongside your strategy, vision and business model to communicate your story.

IT ALL STARTS WITH YOU

Ask yourself why you are starting a business. The answer to this question will give you your story and this is what you want to focus your branding around.

Whether it is heritage, passion, life experience or something else that drives you to start a business, this story should underpin everything you do. It will give you a unique angle in the market and will help customers form emotive connections with you.

If you are stuck for a name for your business, developing a concept around your story is a great place to start. It will also help you write pitches for banks and investors, guide the growth of your business, motivate staff (yourself included), and much more.



UNDERSTAND YOUR CUSTOMER

Now you know your story, who do you want to tell it to? Identifying your customers will help you establish some guidelines around the tone of voice of your brand, as well as influencing more tangible elements like colours, fonts, icons and imagery that you use. Together these elements form your brand identity, get the combination right and you will appear genuine, competent and trustworthy.

You might want to consider the following:

- Tone of voice
- Colours and fonts
- Imagery and icons



'There are basically no unique businesses... The truth is that it isn't by being unique that businesses succeed... More than anything it's about having a unique story, a unique brand.'
Fraser Doherty MBE, 48 Hour Start-Up: From idea to launch in 1 weekend

Take a look at local design agencies on our Service Directory



BUSINESS PLAN

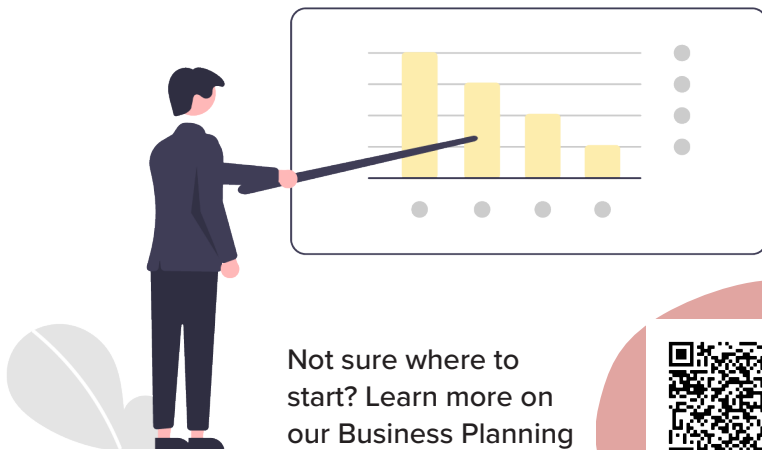
A business plan is a structured way to think about your idea, developing your business model and checking that you've considered everything.

The process of generating your business model should give you a more detailed understanding of your customer, distribution channels, partners, revenue streams, costs and your core value proposition. Don't be afraid to test out different ideas you have and keep revisiting your business model canvas as your business evolves.

You might not have all of the answers first time round, so keep updating it as you go.

Questions to ask yourself when writing your business plan:

- Is it personal and unique to you and your business?
- Does it demonstrate your understanding of your industry?
- Do your finances add up and make sense?
- Is all of the information as up-to-date as possible?



Not sure where to start? Learn more on our Business Planning Guide



BUSINESS MODELS

The business model identifies the kind of structure and revenue stream you will be looking to use. When choosing a business model make sure to consider that many of them overlap and many businesses have more than one model in operation at any one time.

Below is a list of business models to help you start thinking about which kind could suit your idea.

TRADITIONAL MODELS

- Brokerage
- Advertising
- Infomediary
- Merchant
- Manufacturer
- Affiliate
- Community
- Subscription
- Pay as you Go (PAYG)

INTERNET ECONOMY MODELS

- Manufacturer
- Distributor
- Aggregator
- E-tailer
- Freemium
- Subscription
- SaaS

Find out more on our Business Model Types article



BUSINESS MODEL CANVAS - HOW TO GUIDE

A great tool for making sure you have covered everything is the business model canvas. By having your business idea on a simple one side of paper it will enable you to get your idea across easily in those first meetings - be it with a friend, bank, future customer or potential mentor.

Here's a step-by-step guide on how to use it:

1 CUSTOMER SEGMENTS
List the top three segments. Look for the segments that provide the most revenue.

2 VALUE PROPOSITION
*What are your products and services?
What is the job you get done for*

3 REVENUE STREAMS
List your top three revenue streams. If you do things for free, add them here too.

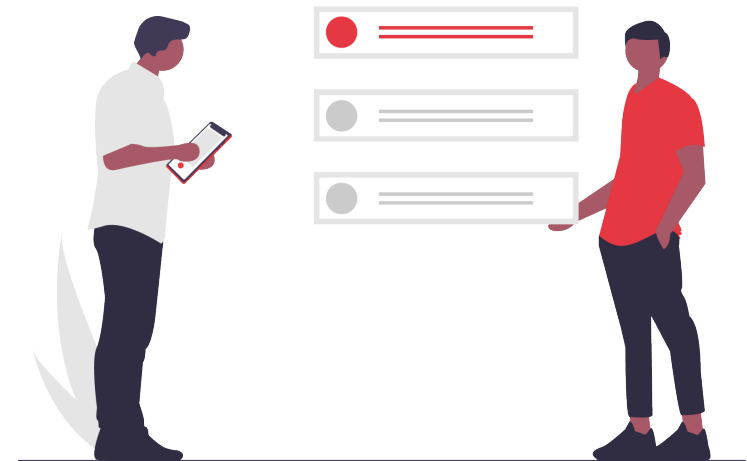
4 CHANNELS
How do you communicate with your customer? How do you deliver the value proposition?

5 CUSTOMER RELATIONSHIPS
How does this show up and how do you maintain the relationship?

6 KEY ACTIVITIES
What do you do every day to run your business model?

7 KEY RESOURCES
The people, knowledge, means, and money you need to run your business.

8 KEY PARTNERS
List the partners that you can't do the business without (not suppliers).



9 COST STRUCTURE
List your top costs by looking at activities and resources.

10 FURTHER INFORMATION
To discover more, take a look at the Design a Better Business website:



BUSINESS MODEL CANVAS

KEY PARTNERS Who are your key partners?	KEY ACTIVITIES What are the activities you perform every day to deliver your value proposition?	VALUE PROPOSITION What is the value you deliver to your customer? What is the customer need that your value proposition addresses?	CUSTOMER RELATIONSHIPS What relationship does each customer segment expect you to establish and maintain?	CUSTOMER SEGMENTS Who are your customers?
	KEY RESOURCES What are the resources you need to deliver your value proposition?		CHANNELS How do your customer segments want to be reached?	
COST STRUCTURE What are the important costs you make to deliver the value proposition?		REVENUE STREAMS How do customers reward you for the value you provide to them?		



DESIGNED BY **BUSINESS MODEL FOUNDRY AG**

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171 Second Street, Suite 300, San Francisco, California, 94105, USA.

STARTING

Every business is different and will require different things to get started, but here is our list of business essentials that you will need to think about when launching your business.

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Join us for the next
Meet The Experts event
to gain answers to your
questions



BUSINESS ESSENTIALS CANVAS

BUSINESS NAME:

Rules & Regulations

Are there any rules and regulations that may impact your business?

- Insurance
- Brexit
-
-
-

Finances

What do you need to setup to enable your business to function?

- Business bank account
- Personal loans
- Raising investment
- Forecasting
- Accounting
- Customer transactions
-
-
-

Data

What are you doing with data?

- Understand your business' use of data
- Register with the Office of Data Protection Authority
- Cyber Security to protect your customers data
-

Competition

Who are your competitors? Locally, nationally, globally? What trends do you see among them?

- Market research
-
-
-

Tech Needs & Trends

What technology do you need and what changes will impact your business?

- Connectivity
- Website or app functionality
- Online payment portals
- IoT (Internet of Things)
-
-
-

Reaching my customer

Can you identify your main customers? Do you know where to reach them?

- Unique story and messaging
- Branding
- Website / online presence
- Marketing channels
- Social media
-
-
-

Uncertainties

Do you see any big uncertainties? Things that could have a big impact, but it is unclear how or when?

- Pandemic
-
-
-

There is no one path for all, each business is different, but we have put together a list of important aspects to consider. These are accompanied by online articles and details of some experts in the field so you can find out more.



REGISTERING

Who do you need to tell?

The two options most commonly taken by businesses are either registering as a Sole Trader or a Limited Company. Find out more about your options in this article.



ACCOUNTS & FINANCE

Run the numbers

It is important to understand your financial position at all times. Use our finance and accounts guide to help build your knowledge.



NOTES



“Used well, finance and accounting technology gives you ready access to current and relevant financial and performance data so you can make informed decisions. A user friendly application, such as Xero, will spotlight your financial position. All you need to do is make sure it’s kept up to date.”
bdo.gg



Rafael Rito

Business Development Manager

“Investing in your business and having a good financial plan is key for future growth and success.”

cherrygodfrey.com



CONNECTIVITY

Have you thought about telecoms strategically?

From the day-to-day operations of your business to building customer relationships, connectivity can be a crucial enabler of your business.



“The accelerated pace of digitisation has changed the way businesses communicate with their customers and further highlighted the reliance on mobile working.”

airtel-vodafone.com



DATA & SECURITY

What data do you hold and how are you storing it?

Every type of business will collect and hold some forms of data so it is an important subject to find out more about. Take a look at our guide.



Lawrence West

Operations and Compliance Manager

“Any start-up needs to know they have a legal obligation to treat people well, regardless of whether they’re your staff, customers or investors – which is where data protection comes in, as it’s all about protecting people.”

odpa.gg



IP

Protecting your Intellectual Property

Learn about Trademarks, Copyright, Patents and more in our comprehensive guide.



David Evans

Founder and Managing Director

“Distinguish your business and its products from the competition by registering your brand and product names as trade marks.”

iplab.co.uk



INSURANCE

What cover do you need?

Find out about the necessary precautions you should take before you start trading.



Will Woodford

Sales Director

“You understand your business. Do you understand your Risk?”

islands.gg



MARKETING & PR

What data do you hold and how are you storing it?

Every type of business will collect and hold some forms of data so it is an important subject to find out more about. Take a look at our guide.



Nichole Culverwell

Director

“You know your business, but do you know how to reach your customers, build your reputation and develop relationships? PR and social media are crucial to cut through the noise and grow your start-up.”

black-vanilla.gg



BUSINESS TECH

Digital tools to make your life easier

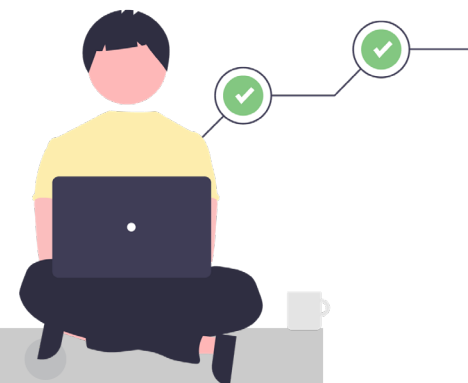
Consider your use of software, hardware and online services in your operations, our online article has a few suggestions to get you started.



ON GROWING

You've ticked off the essentials, now you've got to get out there and reach your customer. This section will offer guidance on how to increase your customer numbers and your business.

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Visit our learning hub
for funded courses
and programmes



FUNDING

The quality and flexibility of funds is a crucial element of starting a new business. For entrepreneurs the right type of investment can make all of the difference. The process of business planning should have provided you with an indication of how much money is needed to realise your plans for growth.

Examples of the types of funding options to consider:

- **Equity finance** where you would sell a share of your business, i.e. Angel Investors and Venture Capitalists
- **Debt finance** where you borrow money from a lender who needs to be repaid, i.e. private loans and bank overdrafts
- **Grants** where you would be given a sum of money by government or other organisation for a specific purpose, i.e. the Guernsey Venture Challenge

It is important that you choose the method to suit your situation and take the time to research the different options available. Depending on your business model there are several options:

- Personal / Family Funding
- Guernsey Venture Challenge
- Business Bank Accounts incl. overdrafts
- Bank Loans
- Private Investment incl. Angel Investors and Venture Capitalists
- Crowdfunding

Find out more with these online guides:

Startup Funding



Pitch Perfect



GUERNSEY VENTURE CHALLENGE

Guernsey's tech accelerator programme run by the Digital Greenhouse in partnership with Blenheim Chalcot - the Guernsey Venture Challenge is for startup businesses based in Guernsey and looking to scale. It gives the opportunity to attain early stage funding to accelerate their development and help get established. The challenge offers £70,000 of grants to support local startup businesses, comprising of:

£40,000 First Prize

£20,000 Second Prize

£10,000 Third Prize

PLUS 6 months business mentorship and 6 months hot-desking at the Digital Greenhouse.

The applications will be judged against the following criteria:

- The business addresses a clear problem / pain point
- It provides an innovative or creative solution to the problem
- There is a viable business model
- Shows potential to use technology scale and grow
-

Applicants must be resident in Guernsey, have raised no more than £150k funding to date and can be from any sector or business type.

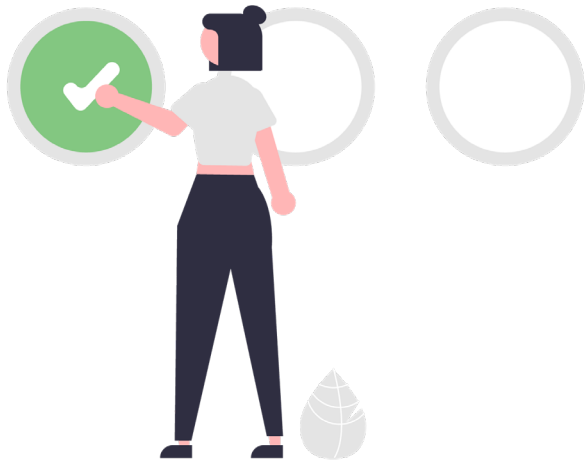
Find out more and apply here:



REACHING YOUR CUSTOMER

To grow your business, you will have to promote your business and its products and services to attract customers. But in a world where everyone is bombarded with information constantly, standing out from the crowd isn't that easy.

Here are our top tips to get your started with your marketing:



Make sure your marketing is tailored specifically to you and your business. It needs to be personal to help build trusted relationships with your customers. If they trust you they will want to do business with you and that is a big step down the pathway to success.

Need help with social media marketing? We've got you covered with our online guides:

Marketing & PR



Social Media



- ## 1 IDENTIFY YOUR KEY MESSAGE

Build a story for your business to help connect to your target customers.

- ## 2 SET OUT YOUR OBJECTIVES

What do you want to achieve? Is it brand awareness, sales targets or feedback?

- ## 3 KNOW YOUR CUSTOMER

Who are your customers and what are the best ways to communicate with them?

- ## 4 PICK YOUR COMMUNICATION CHANNELS

Each channel has their own benefits and disadvantages to consider.

- ## 5 ALLOCATE BUDGET

Work out the impact of your marketing decisions before investing.

LOCATION & PROPERTY

Location is key no matter what area your business idea is in. Whether it is a home office, co-working space, private office or retail unit make sure you pick the one that suits you. There will be benefits and disadvantages of each to weigh up.

Things to think about include:

- The amount of space you need
- Special equipment and setup
- Accessibility
- Cost of purchase / rent and other associated costs
- Regulatory requirements

For example, if you are planning on starting a food business, you will need to comply with regulations from Environmental Health.

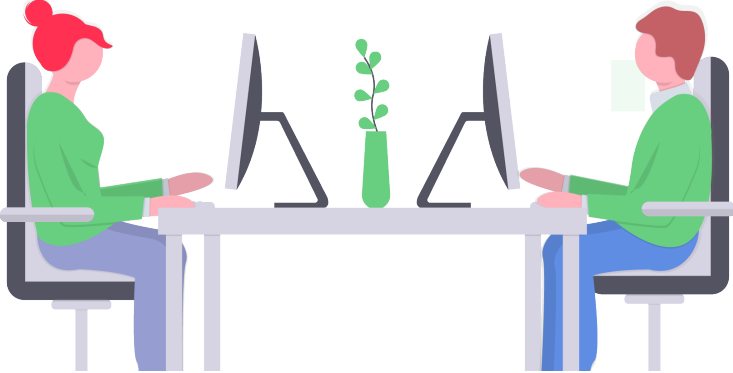
See our online guide to Starting a Food Business here:



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COWORKING SPACE

Did you know that the Digital Greenhouse has co-working facilities at their hub in town?
Find out more about our memberships here:



BUILD YOUR NETWORK

Taking time away from the operational side of your business to develop a network of mentors and peers can have a really valuable impact on the future success of your business. By joining a local group or attending an event you might meet someone who has practical insight, or can assist with useful connections.

Think about how you could help others too. Guernsey has a tight-knit business community which means that it can provide great opportunities for you to build a network of people who can help you grow your business.



For a small island, there is a huge variety of network groups, events and support communities to choose from.

Take a look at these two web pages:

Events Calendar



Network Directory



Got that uncomfortable feeling?

Here are some tips to help you break the ice:

Preparation is key

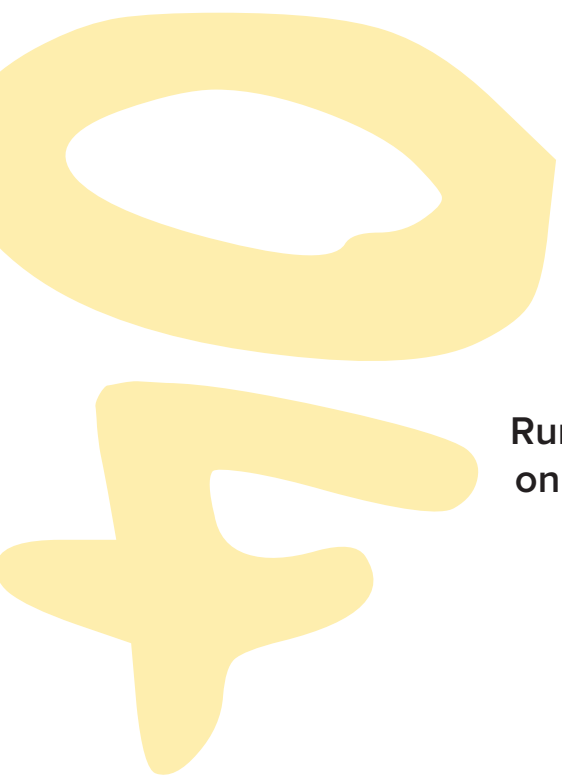
Why are you attending this networking opportunity? Are you meeting potential customers? Do you want a referral to another business? Are you looking to learn new information? Once you know your reason for going, you can prepare for the types of conversations you might have. Think about a pitch for your business - a succinct description of your idea that tells a compelling story and starts a conversation.

Listen

Some of the most valuable information can come from conversations guided by others. Find out about the person you are connecting with. Maybe you could make an introduction for them and help grow their network? In return they might do the same for you. This type of interaction adds value and builds stronger relationships in the long term.

Follow up with people ASAP

Reconnecting with people the day after a networking event will remind them of the positive experience of meeting you and the conversation you've had. If you wait three or four days, any empathy they had or actions they agreed to might be forgotten and asking again could be like starting from scratch. Whether that's arranging a one-to-one meeting or connecting you to a mutual contact, the sooner it is followed up, the better it is for both of you.



SOLVING

Running a business means that you will come across new challenges on a regular basis. Being prepared to tackle them and knowing how to move forward will be key to continued success.

NOTES



Sign up for our Digital Bootcamps to grow your business mindset



ENTREPRENURIAL MINDSET

The journey of growing a startup business should be a chain of discoveries. Each step reveals something new about your customer, product or service or external factors.

To grow you need to take this new information and use it to inform changes within the business. Some of these might be great successes, others terrible failures, but it is only by trying that you allow yourself to grow. Take your failure and, without losing your enthusiasm, learn from it and apply it to your business. This, in essence, is a growth mindset.

An upper hand on larger competitors is that they may only make small steps during their innovation process due to the fear of failure and its rippling effects. As a startup you will be able to take advantage of having room to evolve and pivot. It only takes courage and a willingness to roll with the punches and learn from them.



Five growth mindset tips you can apply to your business today:

1. Use data to inform your opinions. How can you adopt productive reasoning into your business?
2. Own your mistakes! Take that failure, learn from it and use it to motivate you.
3. Embrace change. Work out how you can make a change in your business (no matter how small) to take steps towards innovation.
4. Keep learning! What skills can you and your colleagues learn to stay ahead of whatever twists and turns the market may make?
5. Prioritise challenging jobs. Identify the hardest / most uncomfortable, or daunting job and do it first! This is where the opportunity for growth lies.

Need more inspiration? Check out these articles:

Growth
Mindset



5 Ways To
Be More
'Entrepreneur'



EVALUATE AND GROW

It is good practice to evaluate your business and reset your goals periodically, especially if circumstances change. Try this popular method to help you analyse your current business and work out what to prioritise in order to move forward and grow.

SWOT ANALYSIS

List out aspects of your business and map them out on the 2x2 matrix. Some weaknesses if ignored could develop into threats. While some opportunities could be seized and made into strengths.

STRENGTHS

- What can you do well?
- What are your core competencies?
- What differentiates you from competitors?
- Why will customers buy from you?

WEAKNESSES

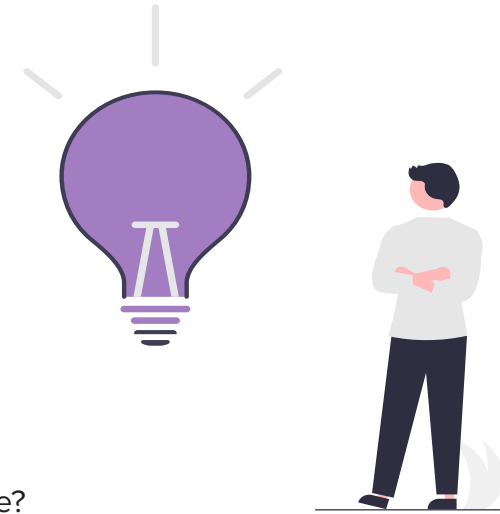
- What resources are you missing?
- What skills do you need to learn or outsource?
- What is your weakest point with the customer? ie. communications, acquisition, retention, reviews, etc.
- What do your competitors do better than you?
- Where are your higher costs to the business?

OPPORTUNITIES

- How can you innovate using new technologies?
- What changes/trends offer you opportunities?
- What partnerships can you form to develop your business?
- How can you adapt your business model to meet changing customer's needs?

THREATS

- Who are your competitors?
- What are the negative trends that present the greatest risk?
- What changes could create weaknesses over time?
- What factors could impact how customers buy or use your products or services?



SWOT ANALYSIS CANVAS

BUSINESS NAME:

Strengths	Weaknesses
Oppurtunities	Threats



FURTHER RESOURCES

Digital Greenhouse

We have plenty of online resources and free support services for new and scaling businesses. As well as opportunities to upskill, learning new skills to improve your business development. The Digital Greenhouse is a hub for innovation and offers a range of co-working memberships to suit your needs.

- > www.digitalgreenhouse.gg/startup-hub
- > www.digitalgreenhouse.gg/learning-hub
- > www.digitalgreenhouse.gg/workspaces

Design A Better Business

A book, a website and downloads by Strategyzer, providing a comprehensive guide to the new tools, skills and mindsets required to master entrepreneurialism. We have used and adapted some of their tools for this guide but there are plenty more free resources available on their website.

- > www.designabetterbusiness.tools

Also see Strategyzer's other resources at strategyzer.com



48 Hour Start-Up: From Idea to Launch in 1

A book written by serial entrepreneur Fraser Doherty MBE. It's jam-packed with useful advice and tips to apply to your own startup journey.

- > www.fraserdoherty.com

Designkit.org

An online resource developed by IDEO with activities, tools and theories for entrepreneurs.

Startupdonut.co.uk

Starting a business tips and advice. Get help on key start-up topics such as business ideas, business planning and sales and marketing.

- > www.startupdonut.co.uk

Future Learn

This is an online learning platform that has a variety of short courses to develop skills needed for starting a business. Courses are provided by leading universities and cultural institutions from around the world and a lot of them are free.

- > www.futurelearn.com

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This guide does not give definitive legal advice, it is provided to help give you an overview of the issues you may encounter and provide contact details to specialist area authorities.

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