

Overview

This standard is for entrepreneurs who run a small business. A small business can be defined as any business employing fewer than 50 employees. It also fits into a definition of a micro business with fewer than 10 members of staff. Starting out as an entrepreneur has a lot of challenges. You need to build your financial knowledge in keeping a budget and managing cash flow that are essential to health of your business. In addition, you need to have broad experience for marketing, sales, management and HR activities. Your enterprise relies on careful planning of your business potential with its strengths and weaknesses that can be assessed, analysed before your business moves forward. To run a small or micro business involves having an awareness of the broad range of all these factors, how they link and support each other. You also need to appreciate the competing demands, pressures, and motivations that face entrepreneurs.

You might do this if you are:

1. considering going self-employed;
2. developing your knowledge and experience of running a small business and its core functions;
- 3.. setting up a new business or social enterprise.

Performance criteria

You must be able to:

1. define the products and services your business is offering
2. carry out the marketing research to identify the niche for your business and the marketing conditions
3. research and identify your customer base and their needs
4. identify your unique selling point (USP) on the market
5. carry out Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of your business
6. identify your competitors on the market and carry out SWOT analysis of their businesses
7. analyse the findings of your market research and benchmarked data to capture your business potential
8. identify sources of legal advice and information relating to starting your own business
9. seek expert advice in relation to running your own business, where required
10. identify the legal structure for your business
11. establish sources of funding available for starting up a small business
12. identify whether your business requires a loan and how to obtain it
13. arrange loans or investment for your business, if required
14. identify any services to be outsourced, such as accountancy, and other consultancy services
15. develop your business plan detailing executive summary, core of your business functions, financials, strategy and execution
16. develop and implement your marketing plan and sales techniques
17. work out the financial requirements for your business
18. open and manage the business bank account
19. obtain the business licences, where required
20. arrange the relevant type of business insurance
21. plan, monitor and record the cash flow in and out of your business
22. manage your financial accounts
23. comply with tax deadlines and other legal responsibilities
24. work out your own monthly wages and pay these to yourself and any staff employed
25. develop and implement your customer service policy

26. implement the relevant IT systems in relation to sales and marketing activities
27. monitor and measure your business performance against set targets and objectives
28. manage HR processes for your business, where required
29. comply with relevant legal requirements for running your business, health and safety and data protection
30. analyse and review performance of your business on a regular basis

Knowledge and understanding

You need to know and understand:

Marketing, sales and customer service

1. the principles of market research
2. how to identify the niche for your business of the market and the marketing conditions
3. your unique selling point (USP) on the market
4. the range of your products and services
5. the relevant IT systems for marketing campaigns and activities
6. the relevant systems for tracking the sales pipeline
7. your customer base and your customers' needs
8. why it is important to research your competitors on the market and analyse their business acumen
9. the principles of data benchmarking and analysis
10. your marketing plan and sales techniques
11. how to deliver a good customer service and how you can measure and monitor it

Business planning

12. the aims and objectives of your business
13. how to conduct a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis
14. the principles of planning, monitoring and recording the cash flow in and out of a business
15. the essentials of business planning and why the business plan is required

16. the types of legal structures available for your business, such as sole trader, partnership, Limited Liability Partnership (LLP), limited company (Ltd), Private Limited Company (PLC), Right-to-manage (RTM) company, Community Interest Company (CIC)
17. the major functions required for a small business and how they link to and support each other
18. the sources for business advice, business support and financial support programmes

Finances

19. the financial requirements for your business
20. the sources of funding available and what is required to secure the funding
21. how to obtain a loan for your business, if required
22. how to arrange an investment for your business, if required
23. how to open and manage the business bank account
24. the principles of managing financial accounts
25. the basics of accounting terms and practices, and the rules regarding business taxation
26. how to work out your basic worth and pay yourself depending on the legal structure of your business
27. how to tie your salary to your business growth

Small business experience

28. the principles of running a small business
29. the sources of information, legal advice and how to seek expert assistance, where required
30. the emotional investment entrepreneurs make in their businesses

31. what it takes to successfully start and run a small business
32. the competing demands and pressures of running a small business, such as cash management, personal nature of people management and relying on a customer base
33. the range of capabilities required of entrepreneurs, such as financial management, business acumen, and human resource skills
34. the need for entrepreneurs to take risks
35. the reasons why running a business takes a lot of time, energy and commitment

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Run a small business



External Links

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