

Insuring Your Small Business

The number of small businesses starting up in the UK increases every year. The people starting a new business do it for a variety of reasons, to follow a dream; the need to stay at home combined with the need to work, redundancy, the list is endless. The growth of broadband Internet has fuelled this growth in many sectors. Some of these businesses will need financial backing from a venture capitalist and some will not; but all will need a business plan.

You might never need to present this business plan to anybody, even if you don't it is still wise to have one. This will act as an aide memoir when you feel everything is collapsing about you; or when everything is moving so fast it can get your feet back on the ground.

However enthusiastic or skilled you are in the business you plan to start you are probably not skilled in business practices so your business plan, when presented to a business expert, will highlight the missing knowledge. Without it they do not know what you do not know about business. Anybody you ask to help you finance or support your business, whether it is a bank, stock suppliers or a venture capitalist, will want to see a business plan before even considering investing in your idea.

But what do you put in a business plan and how is it structured. Well you have to show that you have researched the market thoroughly and understand the competition you may face. It has to be well presented and show a severe attention to detail. The plan should reflect a sense of professionalism, with no spelling mistakes, realistic assumptions, and credible projections of cash flow. If you find all this daunting there are web sites, companies and associations out there to help you.

One thing you must remember, the better you plan your venture the better you are capable of solving problems that may occur. The failure rate of small businesses increases year by year, but this is because inadequate time was put in beforehand finalising a business and financial plan for the venture.

You may or may not need financial backing for your new venture. When sitting down and planning out your dream you should work out the finance you need for stock, business supplies, advertising, equipment and wages for the first few months while you build up custom.

Do not forget insurance. Business insurance is for the big boys you might think, not for you sitting at home behind a computer running an Internet marketing concern, cleaning windows or making wedding dresses. The law sees you in the same light as the IBM's and Fords of this world. Your personal and home insurance will be invalid in most cases.

Some companies offer a special [small business insurance](#) package or will tailor make a business insurance package to suit your requirements. Whatever it is you need it will not cost a fortune, it will enhance your business standing and confidence and could save you a fortune. These days it only takes one litigation claim against you to force you out of business and end your dream.

The mainstays behind any small business insurance package are [public liability insurance](#) and product liability insurance. It is often a requirement that before you can work on or visit third party premises that you have public liability insurance. This provides cover against death or bodily injury to the public and loss or damage to property not owned by you or in your custody or control. Product liability will cover you against the supply of goods to someone else which through your negligence causes injury or damage. It includes solicitors' fees, all costs and litigation expenses, damages and claimants costs for which you would be legally liable.

One thing to be reassured of when starting up a new business, nobody wants you to fail. There are companies and associations out there who want to help you. Some are free such as the local chamber of commerce who can provide you with a wealth of information including employment laws, local companies who might need your services and useful addresses. There is the Federation of Small Businesses which has local groups who meet regularly to discuss topics that are affecting them or to see presentations from service industries. On top of these there are local business support agencies, banks, venture capitalists and many more. They are all in business to help their customers as much as you are in business to help yours.

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