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# 10 STEPS TOWARDS STARTING UP A SMALL BUSINESS

The first time when you arrive in Dubai, your eyes are drawn towards the amazing skyline and then gradually on towards the massive spire of The Burj Khalifa which reminds you that sky is never the limit in Dubai.

But the ground level question for oil rich places like these is can they diversify their economies by climbing the charts in startup activity?

## Some inherent advantages

The United Arab Emirates (UAE), includes Dubai and the capital, Abu Dhabi, have an overall population of around 9.2 million. Now compare that to Singapore's 5.7 million, both are dense hubs of innovation having tremendous internal diversity and external reach to their neighboring regions.

More than 65% of the population in UAE comprise of foreign residents. Such a large pool of foreign talent is a similarity that is shared with Singapore, and an asset for innovation. **Innovation is more likely to transpire when people with different backgrounds have different perspectives for solving the same problems** – just as in the U.S., where a 2016 study initiated that more than half of the founders of billion dollars plus tech startups were immigrants and these includes the likes of Tesla, Google, Facebook, and YouTube.

**Though Arabic is considered to be the official language of the UAE, English is the medium of communication** everywhere and though the Arab states are different culturally and socially from most Western or Asian countries, the UAE seems to have found a sweet spot in this regard. While many foreigners find the differences stimulating but they not find it difficult to adjust to. **And when you consider some of the most popular reasons to start your own business, having a unique business idea or even designing a career that has the flexibility to grow with you, working toward financial independence, and investing in yourself – it's not any wonder that small businesses are springing up everywhere.**

And not every small business is poised for success. In fact, only about two thirds of businesses with employees survive at least for two years, and about half survive for about five years. **So you might be in for a big challenge when you have decided to take the plunge, ditch your day job, and become an entrepreneur.** The stage is usually set in the beginning itself, so making sure that you follow all the necessary steps when starting your business can set the very foundation for success.



# Here are 10 simple steps that are required to start your business successfully.

## STEP 1: DO YOUR RESEARCH WELL



It is most likely that you have already identified your business idea, not balance it with a little reality.

Do you think your idea has a potential to succeed?  
Validate your business idea before you proceed any further.

In order for any small business to be a successful one, it must solve the problem, fulfill a need and offer something that the market needs. You can choose to do this by identifying the need, doing research, focus groups and even by trial and error methods. As you explore the market, some key questions you must be able to answer:

- Is there even a need for your products/services?
- And who needs it?
- Are there any other companies offering similar products/services?
- How big is the competition?
- Who are the key players?
- How do you think your business will fit into the market?

## STEP 2: HAVE A PLAN



Have a well thought out plan in order to make your business idea into a reality. A business plan is a great blueprint that will guide your business right from the start-up phase through establishment and eventually aid in the business growth and it is a must-have for everyone venturing into new businesses.

The good news is that there are various types of business plans for a variety of businesses.

Having a traditional business plan is a must, if you are planning to seek financial support from an investor or any financial institution. This type of business plan is usually long and thorough and has a common set of sections which the investors and banks will look for when they are validating your business idea.

And even if you don't anticipate seeking any financial support, a simple one-page business plan can give you excellent clarity about what you intend to achieve and how you strategize going about it.

## STEP 3: PLAN YOUR INVESTMENTS



When you are starting a small business, it doesn't need a lot of money but it will involve some initial investments so as to cover the ongoing expenses before you turn it into a profit.

Learn to put together a spreadsheet which takes into account the one time set up costs for your business which includes license and permits, equipments, legal fees, insurance, branding, research, inventory management, trademarks, grand opening events, your property leases etc and alongwith this you also need to anticipate that your business will keep running for atleast the next 12 months (That includes the rent, utilities, marketing, advertising, production, supplies, employee salaries, your own salary, travel expenses etc) and when you combine those numbers that's the initial investment that you will need.

Now that you would have a rough number in mind, there are a number of ways and means by which you can fund your small business, including (But not limited to):

- Financing
- Small business loans
- Small business grants
- Angel investors
- Crowd funding

You can even attempt to get your business start off by bootstrapping and using as little capital as necessary to start off your business. The ultimate goal though, is to work through the options and create a plan for setting up the capital that you need to get going with your business.

## STEP 4: CHOOSE A BUSINESS STRUCTURE



Your business can be a sole proprietorship, a partnership, limited liability company (LLC) or even a corporation. The business entity that you will eventually choose will impact many factors right from your business name, to your liability, to how you even file your taxes.

You can choose an initial business structure, and then reevaluate and change your structure as your business keeps growing and needs a certain change.

Depending on the nature and the complexity of your business, it may be worth investing in a consultant, attorney or CPA to ensure that you are making the right choices for your business needs.



## STEP 5: SELECT AND REGISTER YOUR BUSINESS NAME



COMPANY  
NAME  
LTD

Your business name will play an important role in almost every aspect of your business, so you better keep it a good one. You must make sure that you think through all the potential implications as you keep exploring your options and then choose your business name.

Once you have zeroed in on the name of your business, you need to check if it is trademarked or if it is currently in use. Then you need to register it. If you are a sole proprietor, register the business name with the respective emirates. Corporations, LLCs, or Limited Partnerships businesses typically register their business name when the entire formation paperwork is filed. Lastly, don't forget to register your company domain name once you have selected your business name with the respective emirates. Corporations, LLCs, or Limited Partnerships businesses typically register their business name when the entire formation paperwork is filed. Lastly, don't forget to register your company domain name once you have selected your business name. You can use [www.nic.ae](http://www.nic.ae), for .ae domain names, and any major service provider like GoDaddy for the rest.

## STEP 6: GETTING LICENSES AND OTHER PERMITS



Paperwork is also a major part of the process when you are starting your own business. There are a variety of small business licenses and permits that may be applicable to your situation, depending on the type of business you are starting and where you are located in the UAE.

Do research on what type of licenses and permits are applicable to your business during the start-up process. You can also read through our detailed guide on setting up an LLC in Dubai and setting up a Professional License in Dubai, for more information on the specific steps required.

There are over 40+ free trade zones in the UAE and these areas are favorable to all foreign investors. If you setup your business in a free trade zone in any of the emirates, then you will be granted various exemptions from the import and export duties, commercial taxes, land tax, building and property license fees and restrictions on the transfer of capital invested in the free trade zones.

## STEP 7: CHOOSE A GOOD ACCOUNTING SYSTEM



Businesses run very effectively when there are good systems in place. One of the most important systems for any business is a good accounting system.

Accounting systems are the backbone of any business as they are necessary in order to create and manage budgets, set rates and prices, conduct business with other vendors, and for filing away your taxes.

You can even set up your accounting system all by yourself, or even hire an accountant to take away some of the paperwork. If you are decide to get started on your own, make sure that you consider all these questions which are very critical when choosing accounting software. You can read through our Basic Accounting Toolkit for details on setting up an accounting and bookkeeping system for your business in Dubai.

## STEP 8: SET UP YOUR BUSINESS LOCATION



Setting up a location is one of the prime aspect of your business operations whether you will have a home based office, a shared or private office space, or even a retail location.

You will have to think about your location, the equipments, and the overall setup, and then make sure that your business location works for the type of business.

Startups prefer desk-spaces to commence business, and then grow. In Dubai, visas are granted depending on the physical space leased (roughly 80 sq.ft. per visa), so you will have to provision for the number of employees that you plan to hire. Also you will need to give it a thought if it makes sense to buy or lease your own commercial space.

## STEP 9: GETTING YOUR TEAM READY



If you are planning to hire employees, now is the time to start the process. Ensure that you take time to outline the positions that you need to fill along with the job roles and responsibilities which are integral to all the positions.

If you are not hiring any employees, but rather outsourcing work to independent contractors, then now is the time to work with legal representative to get your independent contractor agreement in place and then start your search.

Lastly, if you are a solopreneur and hitting the small business road all by yourself, you may definitely not need any employees or contractors, but you will still need your own support team. This team should comprise of a mentor, a small business coach, or even your family and it will serve as your go-to resource for any guidance, inspiration and encouragement when the road gets bumpy.

## STEP 10: PROMOTE YOUR SMALL BUSINESS



Once your business is up and running, your aim will be to start attracting clients and customers immediately. Start with the basics by writing a USP or unique selling proposition and create a marketing plan for the business. The next step would be to explore as many small business marketing ideas as possible and then decide on how to promote your business in the most effective manner.

Once you have completed these business start-up activities, you will have most of the most important and basic work covered.

Always remember that success doesn't happen overnight. Use the plan that you have created to constantly work on your business, and with that you will increase your chances of success.



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# Let's Get Started!

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- ~ Setting up businesses in Dubai since 2004
- ~ Experts in consultancy and company formation
- ~ Team of highly qualified Lawyers, Chartered Accountants and Relationship Managers
- ~ Ready to assist you in English, Arabic, French, German, Turkish, Hindi, Afrikaans & Tagalog.

Our services cover more than just company setup – we take care of all aspects of your business.



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