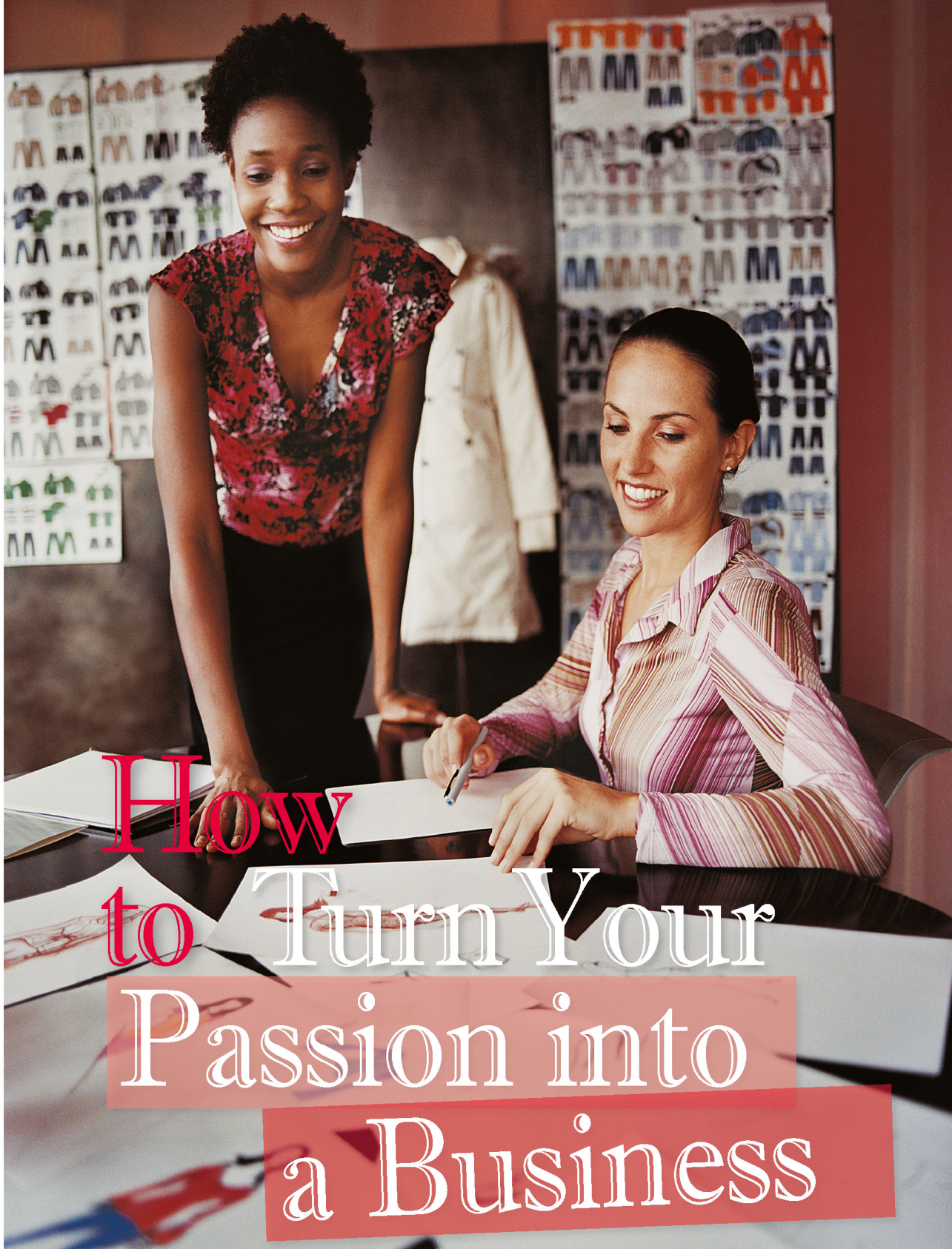


Bev James is founder and MD of the Entrepreneurs' Business Academy, which she created with James Caan of *Dragons' Den* fame. She is also the MD of The Coaching Academy, the world's largest coaching organisation, a multimillion-pound business. She tells *Pride* how to turn your passion into a fully fledged business.



How
to Turn Your
Passion into
a Business

“I am often approached by people who harbour a dream to turn their hobby or passion into a business. They want to know what makes a good idea a good business idea, and how to turn it into a successful start-up. The early stages of starting up a business are full of excitement and potential. You are likely to have high expectations for the future. This is also the stage at which you are most vulnerable and liable to make expensive mistakes.”

The business/ hobby mind shift

When you turn your hobby into a business, you also change from being a consumer to a salesperson. Instead of spending money on your hobby, you will need to make money from your hobby. For some, the love of the product or task is greater than the desire to make a profit. If you are uncomfortable taking a commercial approach, it would be better to leave your hobby for your leisure time and choose a different venture.

Identify the need, the want or the problem to be solved

Every business starts with an idea, an opportunity or a problem to be solved. A good idea fulfils a need or a want. If you create something so essential or desirable that everyone wants it, they will find a reason to need it too – and you will have the kernel of an idea for a sound business. But be clear about your goal, because trying to be all things to all people will confuse your customers. Your USP (Unique Selling Point) needs to differentiate you from your competitors and ensure you are remembered.

Become a market expert before you set up your business

It is important not to make assumptions about your market, your competitors or pricing. A SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis is an invaluable way of taking stock of the strengths and weaknesses of your business idea. What are the opportunities to improve and hone it? What are the threats to its success and survival? Don't be tempted to set up in business in an area you know nothing about. Knowing about eating in restaurants doesn't give you the commercial know-how to run one; a love of fashion doesn't give you knowledge of stock control or retail cash-flow management. These skills need to be learned.

Plan ahead

Having a strong belief in your idea is essential, but don't let your heart rule your head. Your chances of success will increase many times over if you have a commercially viable business plan. Pour your belief into the structure of your financial plan, your marketing plan and a time frame for achieving your goals. Then share your proposal with a business expert, such as your accountant or a business mentor, for objective and experienced advice. Once the plan is realistic in its aims, it will become your benchmark for testing what is right or wrong for your business.

Manage your finances from day one

Money is important in business. You need to manage your finances as if your life depended on it – because it does. If you are unfamiliar with how a profit and loss sheet works, or if you don't have a system for monitoring cash flow, you need expert advice. Cash-flow problems are a serious threat to businesses of any size, especially during the start-up phase. Your budget, your cash flow and your sales projections can be planned in advance with help from your accountant, and they need to be checked daily.

Find a business mentor

Knowing where your weak spots lie, and working with a mentor to jump-start your skills, will put you in a position of strength. If you take good advice before you spend a single coin of your money, you are less likely to have to learn from expensive mistakes. A common mistake is to overestimate the number of clients and level of revenue you will experience in the first year of trading; or to invest in premises before you really need them. A useful strategy is to start (very) small and grow gradually. Test the market before you begin and make adjustments along the way.

Be prepared to sell, sell, sell

Don't ever be complacent about your customers or your profits. Keep asking key questions about how you can make it easier for your customers to find you and find new ways to sell to them. Use the web, business networking sites and Twitter. Pay attention to who is buying, what they want and need, and how they found you; and look after your customers once they have bought from you. They are your key to referrals and the future of your business. 