

## Setup Costs

### Introduction:

When setting up a business capital needs to be set aside for more than just workshop equipment and consumables. There are costs associated with running the administrative side of a business. This list covers the basics of non-workshop items, provides some budgeting figures, plus procurement advice.

### Caveats:

- *The list was drawn up to be useful to me - research time was limited. It should not be considered exhaustive or definitive. Use with caution.*

### Structure

Sets out office and other costs needed for a small horological business. largely follows the format of the Tools and Consumables lists:

- *Item* - name, in alphabetical order, with sub-classification.
- *Priority* - when items should be purchased, classifications as above.
- *Notes* - basic information about the item.
- *Budget* - roughly what will need to be spent.
- *Purchasing advice* - where an item can be bought, and any other specific information.

**Note:** This list just covers Setup costs - see Operating Costs for ongoing expenditure.

Item	Priority	Notes	Budget	Purchasing advice
<b>Advertising</b>	Base	Lets people know you are there.	£500	Depends on the services/market you are looking at, this is possible budget figure for one year of local advertising in parish magazines etc.
<b>Business Cards</b>	Base	This is often the first impression people get of your business. For most markets, keep it simple: name, contact details, [Website] horologist, or clocks, or specialist in: no logo You are not aiming to look like a corporate, instead projecting solidity, possibly tradition, but above all established.	£100	Depends on the market you are looking at. The budget here is for quality, e.g. for letter-press on a cotton background, c 250 cards.
<b>Business Insurance</b>	Base	Small business insurance, ideally specifically aimed at clockmaking. Needs to have appropriate cover for: - Tools in workshop and on the road. - Client work being held by you (may be called stock or goods in trust by the brokers) - Public liability. - Professional Indemnity. (If offering any type of advice, e.g. conservation or environmental considerations) - Goods in transit.	£300	See suppliers lists for brokers.
<b>Computer (and software)</b>	Base	For office work, accounts, invoices and reports a laptop could suffice. Standard office software plus anti-virus is needed, possibly also accounting software.	£1,000	Moderately specified laptop with software. If this is ever to be used in the workshop, find one with as few moving parts as possible. Fans, and hard disks do not mix well with filings.
<b>External hard disk</b>	Base	To back up the computer on a regular basis - a must.	£75	Be aware that cloud data can and does get lost, no matter what the supplier tells you. In particular if you need to change suppliers at any time. A hard disk you have control of is a good insurance policy. ideally at least 4 times the size of the hard disk. Ensures a number of copies of data are made. Ideally run two external disks and alternate them. There will be some data on the backups that is not on the computer, if your only external hard disk fails, you've lost it!
<b>Internet</b>	↓	↓	↓	↓
<i>Domain</i>	Base	Needs to reflect the brand you are trying to portray. Either base it on your name or the business name, and try to keep it short and easy to type.	-	Assumes comes with web site costs.
<i>Web site</i>	Base	Development of a basic 'advertising only' web site. (e.g. <a href="http://www.gocolombo.com">www.gocolombo.com</a> ). It is enough initially to tell the world you are in business, upload some basic portfolio works along with terms and conditions and contact details.	£72	Assumes for this you can use a basic template and a cheap service provider. e.g. Vidahost. You may want to pay for someone who can set up a simple one page web-site and undertake search engine optimisation. If so, budget £4-500 as a minimum, easily more.
<i>Email</i>	Base	A basic of doing business today.	-	Assume basic package with domain rental.
<b>Letter Head</b>	Base	(Including compliments slips) see guidance for business cards.	£200	As for business cards, the letter head you are using needs to reflect the market being aimed at. Premium clients will find cheap stationery off-putting, whereas value-oriented clients will see premium stationary as 'over the top' If you have access to a good laser printer it is possible to run off small runs of stationary on this. However should only be considered as a temporary fix whilst establishing the business and brand. The per-page cost of doing so is likely to be considerably greater than having professionally printed items.
<b>Motor Expenses</b>	↓	↓	↓	↓
<i>Insurance</i>	Base	If nothing else need to increase the insurance on your car to include new business use. For some markets, where impressions count, may need a dedicated vehicle.	£100	If nothing else you will need to add 'business use' to existing insurance
<i>Vehicle</i>	Lux	There are advantages to having a dedicated vehicle for the business, in terms of image and tax simplicity. However, be aware that it generates considerable costs, so should only be contemplated once the business is well established.	£8,000	Assumes small van bought second hand.
<b>Stationery set-up</b>	Base	Plain paper, envelopes, files, hole puncher, stamps, staplers, pens etc.	£50	Staples, or other high-street stationers.
<b>Phone</b>	Base	With answerphone.		
<i>Landline</i>	Base	Although it is possible to run a business solely using a mobile phone, it can create a poor impression with clients as it implies a-man-with-a-van type setup.	£120	Basic answerphone and 1 years rental
<i>Mobile</i>	Base	An essential of the business world.	£200	One year's rental with an all-inclusive package
<b>Printer</b>	Base	For production of reports, should be multifunction so can also be used for scanning and photocopying. Ideally laser, good quality.	£400	Low-medium end laser printer with one change of toner.

Item	Priority	Notes	Budget	Purchasing advice
<b>Professional Advice</b>	↓	↓	↓	↓
<i>Accountant</i>	Base	Initial set up only.	£200	c 2 appointments to organise finances.
<i>Lawyer</i>	Lux	Probably not required, unless you need advice on conditions documents or company structures.	-	
<b>Rental Deposit</b>	Base	Deposit for workshop rental. You may get it back, but it is an upfront cost.	£2,000	Assuming small workshop.
			£13,317	