

# Moving forward

## A formal business?



So, you've traded informally at a few festival markets, and found it rewarding. How can you develop these activities into a more regular, formal business? What are the pros and cons? Where can you find out more?

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**THINK ABOUT WHAT ADDITIONAL SKILLS YOU WILL NEED TO RUN A FORMAL BUSINESS. DO YOU NEED TRAINING, AND IF SO, WHERE CAN YOU GET IT?**

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### The good news

- As a formal business you may find it easier to obtain credit, and as a tax-payer you could qualify for improved social security benefits in the future.
- Being self-employed means you are an independent trader, and don't have to work for other people.
- It can be very satisfying to build your own business.
- As a formal enterprise you could benefit from insurance - to help protect you against loss, for example as a result of illness or injury of a customer at your stall. You will also have greater legal protection against, for example, dishonest suppliers.

### But remember...

- There are start-up costs involved in establishing a business. These may include: legal fees, registration costs, premises rental, equipment purchase, etc.
- You may lose your entitlement to some social security benefits once you start trading formally.
- So... you may need to borrow money. Think about where this will come from.
- You'll need to be aware of taxation rules, including sales/value-added tax, and how to account for this.
- All business ventures involve some risk: there is always a chance that your business could fail.

### Next steps

- Maybe you need some more experience, or want to set up a calendar of trading opportunities: find out what other festivals and events are coming up in your area, and how to apply for a stall. Local councils are a good source of information.
- Think about what additional skills you will need to run a formal business. Do you need training, and if so, where can you get it?
- Visit your local business advice agency for support and information related to developing a business plan, raising credit, training opportunities, and tax and finance.

