

# Rands with Sense

## Advice For Starting Your Own Business

- Whether you want to make something and sell it, or deliver a service, you are almost certainly **going to need capital** for your start-up business. This means you either need to save money to fund your start-up, or you need to look at potential investors.
- How do you choose which option will be the best for your business? You will need to **do your homework** and write the numbers down. Figure out how much your product or service is going to cost you, and how much you will be charging for it. Then you need to calculate how much this will cost you per month, and compare it to how much income it will generate at the same time. This will give you a good idea of how much start-up capital you will need to keep your business running for the first few months.
- There is a golden rule that few follow, and that is to **pay yourself a salary to live on every month**. It should not be a high salary, but it should be enough to pay your basic living costs such as rent, food, transport, school fees and water and lights.
- And if you have debt, you should **also calculate the monthly payments** into your costs. If you do not take care of yourself and your creditors while starting your own business, your dream will be short-lived.
- And there is another golden rule when it comes to a small start-up business: **there should be more money coming in than going out**. Otherwise your business won't make it.
- You also need to **control your spending**. If you see that your expenses are too high, find a way to cut back. Make sure you differentiate between wants and needs. Your business expenses should only contribute towards the growth of your business, nothing else.
- Lastly, always remember to keep your **personal and business finances separate**. You need to control your finances and be responsible.

