

# How to Start a Business



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## Key Steps to Starting a Business:

1. **Idea Generation:**
  - Identify a problem or need in the market.
  - Validate the idea through research or surveys.
2. **Business Plan Development:**
  - Define your target market.
  - Outline your unique value proposition.
  - Plan your marketing strategy.
3. **Register Your Business:**
  - Choose a legal structure (sole proprietorship, partnership, etc.).
  - Register the business name and get necessary permits.
4. **Set Up Operations:**
  - Find suppliers or manufacturers.
  - Hire a team, if needed.
5. **Launch and Market:**
  - Start with a minimum viable product (MVP).
  - Use social media, networking, and promotions to build awareness.



## Sources of Funding:

### Where can entrepreneurs find financial resources?

1. Bootstrapping: Use personal savings or reinvest profits.
2. Loans: Banks, credit unions, or online lenders.
3. Investors:
  - o Angel investors.
  - o Venture capitalists.
4. Grants: Government or NGO grants for startups.
5. Crowdfunding: Platforms like Kickstarter or Indiegogo.



## **Group Activity: Cost and Revenue Estimation**

### **•Step 1**

Each group identifies the costs for their business idea (monthly):

- Fixed Costs: Rent, utilities, communication and marketing,....
- Variable Costs: Production, salaries, packaging, delivery,....

### **•Step 2**

Each group estimates revenues:

- Price per unit.
- Projected sales volume (monthly).

### **•Step 3**

Groups calculate their total costs and estimate potential profits based on their revenue projections.

## **Break-Even Point Calculation**

- Each group calculates the break-even point using the formula provided... $Q_{bp} = F/(p-v)$ .
- Groups discuss the implications of the break-even point on their business strategy (e.g., Is it achievable?).