

Market Trader Start-Up Guide



**Your step by step guide to
becoming a market trader**

**Have you ever considered starting your
own business?**

**A stall on your local market is a flexible
platform to test and launch a lean business.**

NMTF
National Market Traders Federation

Why market trading?

The opportunity to build your business — As a start-up it may be difficult to secure funding, especially to afford a lease for a shop. With cheaper rent and possible rent incentives for new traders (depending on market), market trading gives you the opportunity to start small and grow.

Staying flexible — You don't have to stay at one particular market; if you want you can trade on a number of markets on any number of days. If you have a niche product, there may be specific markets that will suit your business. Get your ear to the ground and visit your local markets!

Develop your business skills — Being your own boss is a great way to develop entrepreneurial skills, including skills in business management such as

marketing, sales, logistics and accounting. You will also develop personal qualities, such as self-discipline, time management and effective communications.

Making connections — In order to succeed it is important for a market trader to interact and build a network of customers, to gain genuine feedback and learn which products sell. There is a sense of community with fellow traders and it is a great opportunity to learn from others on the market.

Support for your start-up — The NMTF offers practical advice and support to all members, including retail training guides and courses. The NMTF also works with Start-Up Loans UK, a government backed scheme offering funding to new businesses with less than 12 months trading experience.

Step 1: Research your product, customer, and market

- Who is your competition? Not just on the market or in the local area but also online — market traders need to think 'multichannel' in today's retail sector. What makes you and your products different?
- Find out your customers' needs — if there is no demand for your product or service, then why sell it? Gather opinions from speaking with strangers in the street armed with a clip board and a questionnaire.
- Check what people are saying online about a particular market, product or service (e.g. Facebook, Twitter, Google+). Read through the complaints and the praise.
- Get to know how your customers want to shop, how do they want to buy from you? Discover how much they are willing to pay, how they want to make payment and how often they will buy from you.
- Pull all this together using a SWOT analysis for the business idea. SWOT stands for Strengths, Weaknesses, Opportunities and Threats. Be honest with yourself and make decisions based on facts and figures.

Step 2: Develop your business plan

- A three to five year business plan is a must. Entrepreneurs with realistic and robust business plans are more likely to succeed in their first year of trading on markets or market-type events.
- Your business plan must answer the following questions: Where am I now? Where do I want to be? How might we get there? Which way is best? How can we ensure we get there?
- Consider thinking through the marketing mix: Product, Price, Place, Promotion (including advertising, direct marketing and public relations), People, Processes and Physical Evidence.
- What funds do you currently have? Do you need to apply for a business loan? Where and how are you going to apply for additional funding? Consider Start Up Loans UK.
- It is essential to see your business plan as a work in progress — amend and review any details that you think you need to work on.
- The NMTF offers a retail guide, NMTF First, to new traders looking for tips on developing a business plan. For more information: www.nmtf.co.uk/retailtraining

Step 3: Finance and funding

- Research the type and amount of funding you are looking for — a variety of market operators now offer rent incentives for new businesses on their market, so see if the markets you are interested in do this. Use the NMTF's database of markets to find contacts: www.nmtf.co.uk/markets
- The NMTF works with government backed initiative, Start Up Loans UK, to provide new traders with less than 12 months trading experience with funding and business mentoring tailored to your business needs. For more information: www.nmtf.co.uk/startuploans
- Most market managers ask traders for proof of public and product liability insurance. Employers' liability is a legal requirement. Make sure you are covered! Members of the NMTF are covered under an umbrella public, products and employers' liability policy: www.nmtf.co.uk/what-we-offer
- When sourcing and buying products from wholesalers, research which suppliers are reputable and recommended. Make sure you get invoices and receipts for every purchase, ensuring they are compliant with trading standards legislation: www.realdealmarkets.co.uk
- Register as sole trader with HM Revenue and Customs — this means you are self-employed. You can keep all your business profits after tax is paid on them. Get up to speed with tax returns, national insurance contributions, registering for self-assessment and record keeping: www.gov.uk/set-up-sole-trader

Step 4: Keeping track of growth and development

- Make sure all your sales, spending and ordering are kept up to date with regular checks and logging all incomings and outgoings using clear lists and spreadsheets.
- Do you have a website or are you on social media? Monitor any Facebook posts or tweets to see what is proving most popular. Which products are selling well? Which aren't? Make sure your findings are recorded.
- Your first year is the most valuable to seeing what works for your business and what doesn't — keep open to new opportunities, test different products and services and don't be afraid to make mistakes!

Useful links

www.gov.uk/business — Extensive and detailed information on starting your business from self-assessments to getting your business off the ground.

www.gov.uk/business-finance-support-finder — Find government-backed support and finance for business, including grants, finance and loans.

www.startuploans.co.uk — The official website for the government funded scheme to provide loans and mentors for entrepreneurs.

www.nmtf.co.uk — Representing about 26,000 market traders in Great Britain and Northern Ireland, the NMTF is the leading trade body for the markets industry in the UK.

For any enquiries about the information provided, please contact the Projects Department at the NMTF



Hampton House, Hawshaw Lane, Hoyland, Barnsley S74 0HA
Tel: 01226 749021 • Email: projects@nmtf.co.uk

www.nmtf.co.uk



@marketsmatter



/thenmtf



/hamptonhouse