Cranleys
CHARTERED ACCOUNTANTS



CRANLEYS' CUNNING PLANS · No. 01 · STARTING UP

Business Idea, Market and Business Model Checklist

Tick it, print it, pin it up. Every box you cannot tick is a conversation worth having.



By Colin Davison FCA, Managing Partner, Cranleys Chartered Accountants. In practice since 1998. Reviewed 15 November 2026 against the 2026/27 rules.

THE QUICK ANSWER

Before you start, prove a real customer will pay a price that covers your costs, tax and a wage for you. Check the market, pick a business model, work out your runway of six to twelve months, and write down what you want the business to do for you.

THE KEY FIGURES

The key facts	What to know
Test for a real idea	a named problem and a paying customer
Price must cover	costs, tax, National Insurance and your wage
Runway to plan for	6 to 12 months of cash
Business models	one-off, recurring, licence, retainer

The checklist, box by box

	The check	What to do	Keep as evidence
☐	**Can you name the customer and the problem?**	Write one sentence: who has the problem, what it costs them, why they would pay you. A hobby has fans. A business has payers.	One page problem and customer note
☐	**Have you checked the market and competitor prices?**	Look at who else solves it, how they price, and why customers might switch. Do not guess.	Competitor price list, five customer conversations
☐	**Which business model fits?**	One-off sales, subscriptions, licensing or retainers. Recurring income makes cash easier to forecast.	Model comparison note
☐	**Does the price cover everything?**	Costs, tax, National Insurance and a wage for you, plus a margin for the unexpected.	Price calculation
☐	**Do you have 6 to 12 months of runway?**	Work out how long you can live and trade with no sales. If it is less than six months, plan funding now.	Cash runway sheet
☐	**Have you written down your goal?**	Lifestyle business, growth business, or a business to sell. The goal changes every later decision.	One paragraph goal statement

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MY PRO TIP

price the idea before you fall in love with it.

A worked example

A founder wants £3,000 a month to live on. At £35 an hour for 100 billable hours, turnover is £3,500. After £1,000 of costs, profit is £2,500, and nothing is left for tax. At £50 an hour, turnover is £5,000, profit is £4,000 and setting aside about 25% for tax and National Insurance leaves £3,000. The idea failed on price, not effort.

The trap to avoid

Starting without the pricing maths. You will still have to file tax returns whether or not you made money, and a business that loses money is not a plan.

The Rufus test

One question that tells you if you have the right adviser:

If my first ten customers each paid the price I plan to charge, would I still be proud and solvent after tax?

What has changed recently

- Making Tax Digital for Income Tax now reaches more sole traders. See the self-employment tax checklist.
- Choosing a structure early saves tax later. See the legal structure checklist.
- Funding choices start with your runway. See the money, pricing and cashflow checklist.

Questions I get asked

How do I know if my business idea will work?

Talk to potential customers, check competitor prices and work out whether your price covers costs, tax and a wage for you. If a real customer will pay it, you have something.

How much money do I need to start a business?

It depends, but plan for six to twelve months of living costs and business costs, so you are not forced into bad decisions early.

What is a business model?

How you make money: one-off sales, subscriptions, licences or retainers. Recurring models make cash easier to forecast.

Should I write a business plan?

Yes, even a short one. A page on the customer, the price, the costs and the goal is a good start.

The 9 CAD Keys link: Clarity

Clarity is knowing who you serve, what they pay and what you want from the business. Everything else follows.

Colin's 9 CAD Keys. CORE: Clarity, Capability, Consistency. ADVANCED: Analysis & Positioning, Alignment, Acceleration. DYNAMIC: Differentiation, Dexterity, Development. Score each key 1 to 5 in the free Business Value Assessment Scorecard, total out of 45. *Freedom is built. One CAD Key at a time.*

Tick these next

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Business checklist 02
Sole Trader, Partnership or Limited Company Checklist

Business checklist 04
Pricing, Cashflow and Funding Checklist for New Businesses

Business checklist 09
First-Year Survival: The 12-Month Business Plan Checklist

Go deeper: my books

For this topic, start with **Starting Up Secrets**, part of The Cranleys Business and Tax Secrets Series: Property Tax Secrets, Inheritance Tax Secrets, Business Tax Secrets, Starting Up Secrets, Business Growth Secrets and Business Exit Secrets. The books are launching soon. Join the launch list at cranleys.online/books and I will tell you the moment each one is released.

YOUR NEXT STEP

Ring me. Free draft plan, no hard sell.

I will build you a free draft tax plan or business plan on my 9 CAD Keys: a scorecard, a 12-month cashflow forecast, a 90-day action plan and a review with me. **1** Get in touch. **2** Short intro call. **3** Your free draft plan in plain English. You decide what happens next.

Tick the boxes, then start the engine.

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Scan to read online, tick it on screen and take the Scorecard



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