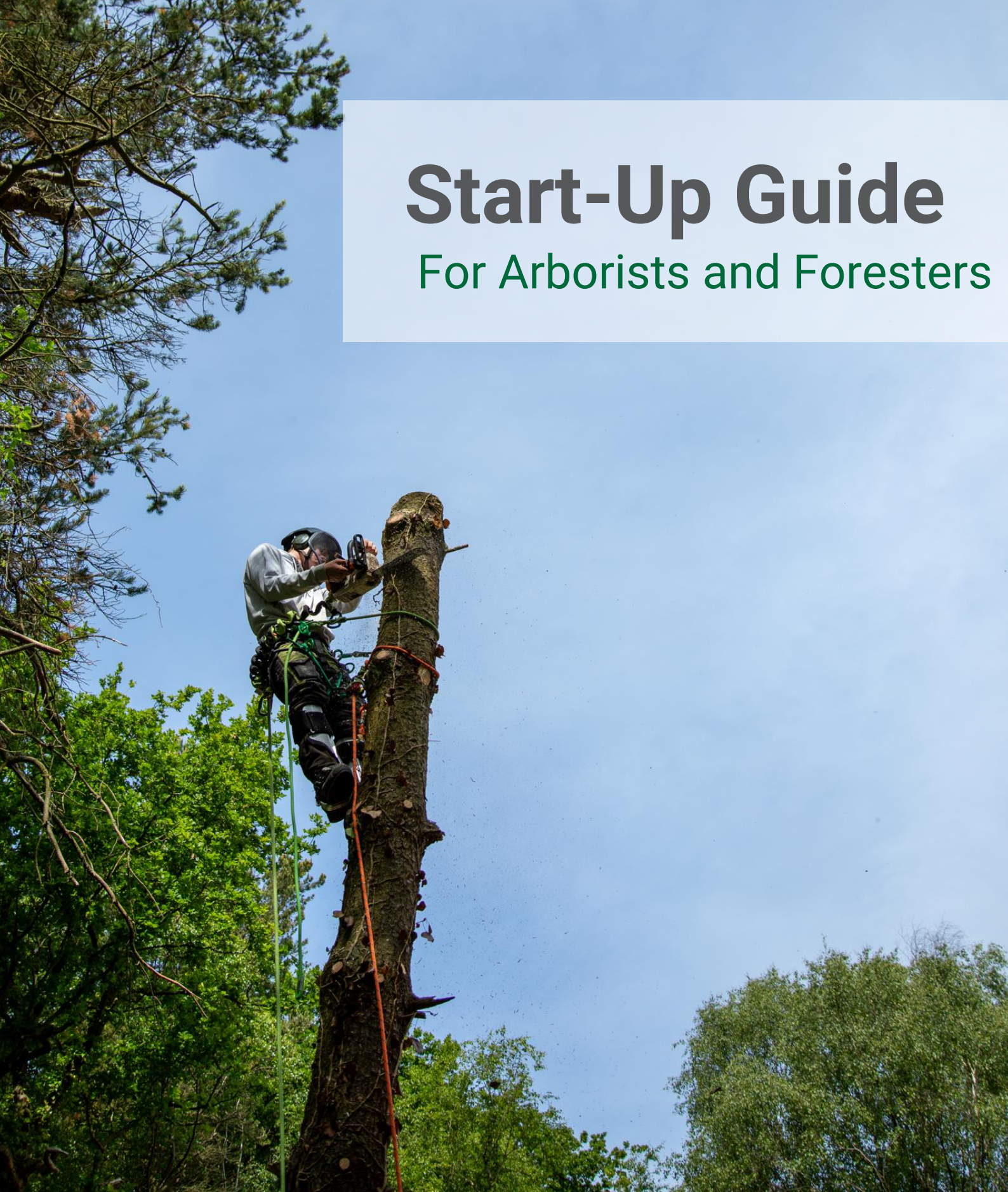


Start-Up Guide

For Arborists and Foresters



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Introduction

There are many things to consider when setting up a new business, so to help you, we have put together this start-up guide.

This document is subject to the Terms of Use below and is just a starting point. This guide is written from our experience – you must take professional advice.

Terms of Use

By reading this guide you agree to the following terms. This guide contains generic information and not specific advice, and you are therefore aware of the need to take professional advice in all areas. It was written in December 2022, so some of the information could be out of date.

When reading this document, you are aware there could be errors and omissions and this document can't be reproduced without our permission.

1. The Decision

Starting your own business is a big decision – being the boss is not the right thing for everybody. Knowing that the profit on any job goes in your pocket is a fantastic feeling, but being a great arborist or forester does not necessarily mean you will be any good at running your own business. The rewards are there for the right people, but have you got what it takes?

To put this in perspective, I was talking to a client who, many years ago, had worked with a chap who now runs a very large Arb and Forestry company. The client questioned how his old colleague now owned such a successful company when he was only an average arborist. The answer is simple – his success was about being a good businessman and not about his skills with a chainsaw. How many of the best football managers were top players? Virtually none.

The transition to being the boss is huge, and too many people start running their own business without any consideration to the skills required.

Can you deal with the pressure – managing staff, chasing money, looking for business and all the required paperwork? Being a good arborist or forester may not be the most important skill required.

Think about these skills and requirements you may need:

- Be very organised
- A good communicator
- Organised with paperwork
- Numerate
- Able to sell yourself
- Good people manager
- Capable of delegating
- Can manage stress
- Good family support
- Ability to work long hours

While it is important to be aware of some of the negatives, the rewards can be immense! This normally means increasing your income, but also the satisfaction of being in control of your own destiny and building up your own business.

So, if you have got what it takes, then go for it!!

2. Decide on the best legal structure for your business

One of the first things you need to decide on is the 'best' legal structure for your business. 'Best' is subjective, so make sure you seek professional advice. Here we look at the three most common structures (but there are other options).

Sole Trader

- This is when you are self-employed, so you work for yourself. You own 100% of the business and you are the boss.
- It's relatively simple to set up as a sole trader, and there's minimal paperwork involved.
- One major drawback is that there is not any legal distinction between the sole-trader as a business and the person. So, if the business goes into debt, the individual is liable for that debt.
- Don't get confused by the term 'sole trader'. It doesn't mean that you work alone. A sole trader can have any number of employees or subcontractors. The term only relates to the ownership of the business.
- Find out more about setting up as a sole trader here: <https://www.gov.uk/set-up-sole-trader>

Partnership

- This is similar to sole trader, but the business is owned by two or more self-employed individuals who share the profits, and are normally jointly responsible
- The business needs to be an official partnership that is registered with HMRC, not two sole traders who work together.
- You can find information about setting up a partnership here: <https://www.gov.uk/set-up-business-partnership>

Limited Company

- This is a business which has been incorporated. This means its ownership is divided into shares and whoever owns the shares owns the company.
- The reason it is called a 'limited' company is the liability of the shareholders (owners) is limited to the value of the shareholder's investment in the company unless you have given additional guarantees.
- If you set up a limited company, it is likely you will be a director and an employee of the company, rather than self-employed.
- This business structure has some major advantages which you should review with your accountant.
- Being the Director of a Limited Company may give more kudos among your potential customers.
- Please note – if you own your own Limited Company, you are unlikely to be classed as self-employed.
- You can find information about setting up a Limited Company here: <https://www.gov.uk/set-up-limited-company>

3. What to call your business

- Deciding on your business name is an important part of setting up. It can help define the sort of business you want to be.
- You may want to use your name in the business (John's Tree Surgeons), or perhaps include your area to attract customers (Tonbridge Tree Surgeons), or maybe choose something a little quirkier to stand out.
- Just make sure you think about what would work in your local area, and what your customers will like (not just what you like). While you may think the word Arboriculture sounds professional, do your clients even know what it means? Another tip is to avoid referencing price in your name – 'Bargain Tree Surgery' may not attract the right kind of clients!
- Take your time to make sure there isn't someone else with your chosen name already, and that you aren't infringing any trading laws. Find out whether you can get a suitable web domain for your chosen business name. You can look these up at hosting companies such as <https://www.names.co.uk> or <https://www.123-reg.co.uk>

4. Tax and Accounts

This is often considered the dreaded issue, so don't put it off – make sure you take advice.

- Whichever business structure you have chosen, you will need to let HMRC know. You can find out more here: <https://www.gov.uk/set-up-business>
- Running a business is made a lot easier if you can stay organised! A great way to do this is to use an online system which will enable you to keep records and manage your invoicing. Some examples we know our customers use include Quickbooks and Xero.

5. Get the correct Insurance

- Make sure you have the appropriate insurance in place, ideally arranged through a specialist company who understands the arb and forestry industry.
- Take a look at our insurance guide to find out what you should consider - [Insurance Guide for Arborists & Foresters | Tree Surgeon Insurance](#), or [watch this video](#).
- Alternatively, give us a call on 01732 373 864 and our friendly, straight-talking advisers will be able to help you out.

6. Health and safety, training and qualifications

- Make sure you and all staff, including contractors, have the correct qualifications. You and your team will need to have the relevant NPTC or LANTRA qualifications in place to be working as an arborist or forester. If you are unsure of the appropriate qualifications, please consult the NPTC (<https://www.nptc.org.uk/qualificationdefault.aspx>), LANTRA (<https://www.lantra.co.uk/forestry-arboriculture>) or you can also find information at the Arb Association: [Arboricultural Association - Qualifications \(trees.org.uk\)](https://www.arboricultural.org.uk/qualifications). Another option is to consult with arb and forestry training centres and colleges.
- If somebody says they have a certain qualification, insist on seeing evidence and keep a copy. There are far too many unqualified climbers and chainsaw operators out there. Using unqualified staff leaves you in a very vulnerable position.
- Understand your responsibilities as a professional. Following all HSE guidance is essential along with having the relevant Health and Safety and Risk Assessments in place. If you are unsure of your responsibilities, please check out the HSE website (<https://www.hse.gov.uk/treework/index.htm>). We would always recommend you speak to a Health and Safety consultant, as this area can be complex and is forever changing.
- Ignorance is not an excuse in the eyes of HSE or the law. Employers, including those who use subbies, have a duty of care to staff. HSE will prosecute for serious breaches, and they can also charge you for the costs involved in any investigation. The cost for even a small breach and investigation can be thousands of pounds.
- Any insurance policy you take out is likely to have the requirement that you and any staff are appropriately qualified for the work that is done. No qualifications can equal no cover.

7. Pricing

- Do your research to gauge sensible prices for your location. Remember, people rarely buy on price alone. For example, if a potential customer has two quotations – one from a well-presented professional person at £750, and one from a scruffy, disorganised person at £600, they will often choose the provider that comes across most professional.
- Make sure you are providing quotes that are true to the value of the work you are providing and take into consideration all your possible costs. For example, as a simple reminder, if you are charging a client £400 for the day (turnover) it doesn't mean you have earned £400. You may have spent £150 on a sub-contractor, £50 on fuel, £100 on hire of a woodchipper, meaning the profit from the job is £100 – which is less than your subbie earned.
- When quoting, don't make it all about price. Present a package that shows what you will do for the customer and the benefits. Write any quotation in simple English (no tree jargon) and be clear when you expect to be paid.
- If you are aiming at the domestic market – be mindful of the VAT threshold. If your turnover exceeds this, it is compulsory that you then register for VAT. See the HMRC website: <https://www.gov.uk/register-for-vat>. This means that you will have to add an extra 20% VAT on all quotes, which could make you less competitive. However, bear in mind that you will be able to claim back VAT on purchases.
- If you want to make it big, then do not let the VAT threshold stop you from growing your business. To state the obvious – nobody can build a big business by staying below the VAT threshold. So, while it can have some disadvantages, it is a sign that your business is growing.

8. Terms of Business Agreement

Put together a contract or terms of business that you will share with every client. This should include:

- Details of the job you are completing.
- Agreement that you are exonerated from any obvious risks or existing damage – include details in the document. For example, does that fence underneath the tree you are working on already have some damage? You could include photos or videos to avoid any accusations – [read more here](#).
- Confirmation that the client has permission for all the works agreed. For example, agreement from neighbours for using their garden for access or cutting down branches on their side.
- Your payment terms, for example 48 hours, 7 days etc. This needs to be stipulated.

9. Payments

Invest in a simple card payment machine. Getting paid straight away will reduce the need for chasing later. Taking cheques is dated and they bounce far too often. Insisting on cash does little to enhance your image to a prospective customer.

10. Develop a Marketing Plan

Take a look at our [guide to marketing](#), which will take you through some of the main things to consider. This includes thinking about what your brand looks like, setting up a website, how you manage enquiries and how to market yourself in your local area.

General tips for building your business

Some of these points may seem obvious, but they are based on comments and feedback we've received over the years:

- Respond to calls in a timely manner – letting customers know they are important is a great way to start a relationship.
- Always be pleasant, clean, neat and tidy – this is the kind of thing customers will remember and make them more likely to recommend you to their friends.
- Establish a reliable team of sub-contractors that you can trust to work alongside you.
- Don't be afraid to work as a subbie as this helps to build up a regular income and contacts.
- Sometimes it's worth cutting somebody's hedge or clearing some shrubs to get your foot in the door, before offering to do more complicated work.
- Don't over stretch yourself buying unnecessary equipment in the early days.
- Get registered on trade marketing sites like <https://www.checkatrade.com/>.