



THE FOUNDER'S CHECKLIST

# What you need to start a business in South Africa.

An honest, up-to-date guide. What is urgent, what can wait, what each step costs, and where to do it yourself.

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A short, honest read. Go top to bottom, or jump to where you are. Four phases, in the order that actually matters.

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READ FIRST

The one frame that puts every task below in its right place.

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DAY 1

Marketing, credibility, sales, and being able to deliver.

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# What a business actually is.

Most "start a business" lists throw forty tasks at you in no order, as if registering for tax matters as much as landing your first customer. It does not. So before the checklist, here is the frame we use, borrowed from Michael Porter's value chain. Every business splits into two.

## THE CORE, WHERE YOU WIN

### Operations

The real work you do, done well and on time.

### Sales, marketing & credibility

How people find you, trust you, and decide to buy.

## THE FOUNDATION, NECESSARY, NOT WHERE YOU WIN

Registration

Tax

Accounting

POPIA

Insurance

HR

**The core is where value is created and money is made.** The foundation you have to get right, but no customer ever chose a business because its CIPC filing was tidy. Get the order wrong, spending week one on admin instead of customers, and you build a tidy company with nothing to sell.

**"Nothing happens until someone agrees to buy something."**

That is the oldest truth in business, and the reason sales and marketing sit in the core, right next to the work itself. You can be brilliant at what you do, but until someone agrees to buy, there is no business.

## HOW TO READ THIS

# Now. Next. Later.

Four phases. Not all of them are urgent on day one. The point of this checklist is to take the panic out of "what do I still need to do?" by separating now from next from later.

### DAY 1

#### Get your core right.

Marketing, credibility, sales, and the ability to deliver. This is what actually makes a business, so do it first.

### WEEK 1

#### Get legal and bankable.

Critical legal and financial setup. Required before you trade.

### MONTH 1

#### Compliance and operations.

The foundations that do not block trading, but catch up with you fast if you ignore them.

### MONTH 3 +

#### Growth.

Scale items. Not before you have something to grow, and do not let anyone sell them to you sooner.

#### A NOTE ON THE TOOLS WE NAME

Every recommendation in this guide is independent. We earn no commission on anything listed, and there are no paid placements. We point you at what we would use ourselves or have actively evaluated. If that ever changes, we will say so plainly.



# 01

DAY 1

## Get your core right.

Before any of the admin further down, this is the part that actually makes a business. Four things, none of them needing a big budget on day one.

## Marketing: make sure people know you exist.

Getting in front of the people who could buy from you. It does not have to cost anything to start, and the warmest, cheapest channels almost always work best first.

- ✓ **Your warm network, first.** Tell friends, former colleagues, and past clients exactly what you do and who you can help, and ask for introductions. Free, and it converts better than anything else early on.
- ✓ **Show up where your buyers are.** Post what you do on LinkedIn and your socials, consistently. People buy from businesses they have seen more than once.
- ✓ **Paid ads, later.** Google and Meta work, but start them once you know what turns a stranger into a customer. Warm and free before cold and paid.

## Credibility: give people a reason to trust you.

A stranger decides whether you are a real, safe business in seconds, usually before they ever speak to you. Credibility is the set of signals that make that an easy yes.

- ✓ **A proper email address.** you@yourbusiness.co.za, not a free gmail. A generic address quietly says "side project".
- ✓ **A real website,** on a domain you own. It is where people check that you are legitimate before they pay you.
- ✓ **A consistent brand.** The same name, logo, and colours everywhere. Consistency reads as "this one has their act together".
- ✓ **An active presence.** A profile or two that is current, not abandoned in 2021.

### THERE ARE LEVELS TO THIS

Not everyone needs all of it on day one. With a strong network and steady word of mouth, plenty of businesses run for years on reputation alone. But the moment you sell to people who do not already know you, these signals do your trusting for you. The less someone knows you, the more your credibility has to speak first.

### Sales: ask for the business.

Sales is just someone agreeing to buy. It is the only thing that turns effort into money. You do not need a funnel or a sales team on day one. You need conversations, and the nerve to ask.

- ✓ **Person to person.** A call, a coffee, a WhatsApp, a quote. Most early sales are one human talking to another, not a clever website doing the work.
- ✓ **Follow up.** Most deals are lost to silence, not to "no". A polite second and third message wins more business than any advert.
- ✓ **Ask plainly.** "Would you like to go ahead?" closes more than people expect. If you never ask, the answer stays no.

### Operations: be able to deliver what you sell.

The actual work: doing it well, on time, to a standard people will pay for again. It is easy to over-think this before you have a single customer. Do not.

- ✓ **Start manual.** Do the work by hand before you automate anything. You cannot streamline a process you have not run yet.
- ✓ **Learn fast, fail small.** Take the work, do it, see what breaks, fix it. Your first few jobs teach you what "good" means in your trade.
- ✓ **Under-promise, over-deliver.** Your first customers are your reputation. One genuinely delighted client sends more business than a month of marketing.

**Get these four right and you have a business.** Everything that follows, registration, tax, accounting, compliance, is the foundation that keeps it legal and safe. It matters, but it is support, not the main event. Sort the core first.



# 02

WEEK 1

## Get legal and bankable.

These make you legal and bankable. We do not do them for you, they need your ID, your signature, or your face on a video call, but most are quick and you can do them yourself.

## First, decide: sole proprietor or (Pty) Ltd?

This one choice shapes your tax, your paperwork, and whether your personal assets are on the line. For most new businesses it comes down to two options.

- ✓ **Sole proprietor.** You are the business. Nothing to register at CIPC, you can trade today under your own name. Profit is taxed once, as personal income on the sliding scale (18% to 45%), and you still deduct legitimate expenses. The catch: unlimited personal liability. If the business owes money, your house and savings are exposed.
- ✓ **Private company, (Pty) Ltd.** A separate legal "person", registered at CIPC. Limited liability: your risk is capped at what you put in. More credible to clients and lenders, and you can bring in shareholders. The trade-off is admin: annual financial statements, a CIPC annual return, and a company tax return.

### THE TAX BIT MOST PEOPLE MISS

A company pays a flat 27% on profit, lower than the top personal rate of 45%. But that is only the first layer: taking profit out as a dividend triggers a further 20% dividends tax, so dividend income is effectively taxed at about 42%. A salary you pay yourself is a deductible cost to the company and taxed at your personal rate, so a good accountant blends salary and dividends. A sole proprietor skips all of this: profit is taxed once, on the personal scale.

### RULE OF THUMB

Testing an idea, low risk, want the least admin? Start as a sole proprietor, you can incorporate later. Carrying real risk, signing real contracts, chasing corporate or government clients, raising money, or simply growing? A (Pty) Ltd fits better. The extra admin buys protection, credibility, and room to plan your tax.

## Register your (Pty) Ltd with CIPC.

Only if you chose a company. Skip it entirely as a sole proprietor. CIPC is the government registrar, and doing it yourself is cheaper and easier than most expect.

- ✓ **CIPC BizPortal** ([bizportal.gov.za](http://bizportal.gov.za)), the simple one-stop route. Reserve your name and register in a single flow, usually approved within a few working days. It registers you for income tax automatically. About R175 all in (roughly R125 plus R50 for the name).
- ✓ **A registration service** (Govchain, Company Partners, and others) runs the BizPortal steps for you for a fee on top. Worth it only if you would rather not touch the admin. We earn nothing from these.

You get back a registration number (YYYY/NNNNNN/07), your CoR14.3 certificate, and an automatic SARS income-tax number. You need the certificate and your ID to open a bank account.

## Open a business bank account.

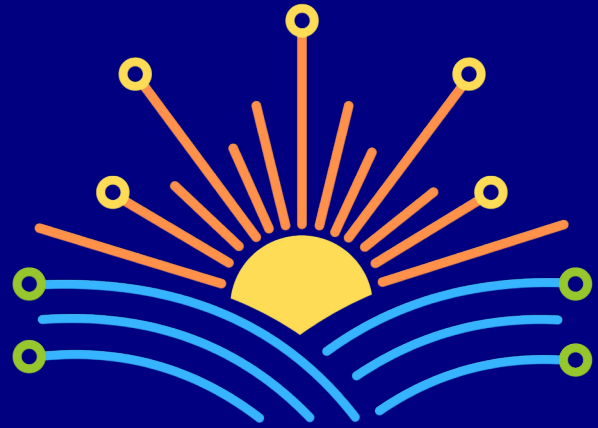
You cannot co-mingle business and personal money. Open this the day your CIPC papers come through. You will need your CIPC documents, ID, and proof of address.

- ✓ **FNB Business Zero**, free up to a transaction cap, integrates cleanly with Xero, fast to open. Default recommendation.
- ✓ **TymeBank Business**, fully digital, very cheap, no branches. Good for online-only businesses.
- ✓ **Capitec Business**, a solid mid-tier option with a decent app.

## Sort out SARS.

A company already has its income-tax number from CIPC; a sole proprietor uses their own. The active steps:

- ✓ **eFiling profile**, register at [sarsefiling.co.za](http://sarsefiling.co.za). This is how you file and pay everything. Required.
- ✓ **Tax clearance** (a Tax Compliance Status PIN), via eFiling once you have a tax number. Corporate and government clients ask for it.
- ✓ **VAT, only if you must**. Since 1 April 2026, compulsory above R2.3 million turnover in any 12 months, voluntary from R120,000. Below R2.3m, stay out unless you have a clear reason.



# 03

MONTH 1

## **Compliance and operations.**

These do not block trading, but they catch up with you fast if you ignore them. Set them up once and they run quietly in the background.

## Accounting software.

Stop using a spreadsheet. Pick one and stick with it. You get an automatic bank feed, invoicing, VAT calculation if registered, and year-end financials your accountant can use without weeping.

- ✓ **Xero**, the gold standard. About R350 to R600 a month. Integrates with FNB, Capitec, most SA banks. Recommended.
- ✓ **Sage Business Cloud Accounting**, SA-native, slightly cheaper, good if your accountant prefers it.
- ✓ **QuickBooks Online**, works, but less SA-tax-friendly than Xero. Skip unless you have a reason.

## POPIA compliance.

You are processing personal data the moment you have a contact form. POPIA is not optional.

- ✓ **Information Officer registration**, register whoever runs the company with the Information Regulator. Free, about five minutes at [infoeregulator.org.za](http://infoeregulator.org.za). Do this in week one.
- ✓ **A privacy policy on your website**, every site that collects a name or email needs one.
- ✓ **Consent on your forms**, tell people what you collect and why, and get their agreement before you store it.
- ✓ **Data processing agreements** with your sub-processors (payment gateway, booking tool, email provider), usually a click-through at signup.

### WORTH KNOWING

The penalty for ignoring POPIA runs up to R10 million. The setup above is free or close to it, so there is no good reason to skip it.

## Payment processing.

Skip if you do not sell anything online or in person.

- ✓ **Yoco**, best if you also sell in person, with solid online checkout too. Card readers from R299, about 2.85% per transaction.
- ✓ **iKhokha**, retail-focused, similar to Yoco. Popular with food and pop-up businesses.
- ✓ **Peach Payments**, more enterprise-grade. Pick this for high volume or recurring billing.
- ✓ **Stripe**, international cards, less SA-friendly. Only if your customers are outside SA.

## Business insurance.

Optional, but cheap relative to the worst case.

- ✓ **Public liability insurance**, from Naked, Hollard, or MiWay Business. R150 to R500 a month for a small business, depending on what you do.
- ✓ **Cyber insurance**, only if you handle sensitive customer data. R200 to R500 a month from the same providers.
- ✓ **Professional indemnity**, only if you give advice (consulting, legal, accounting, design). Often required by clients before they sign.



# 04

MONTH 3 ONWARD

## **Growth.**

You do not need any of these on day one, and you should not let anyone sell them to you on day one. They come into their own once you have something to grow.

## Customer acquisition.

The marketing function from the start of this guide, now with a budget behind it. The principle does not change: warm and free before cold and paid.

- ✓ **Referrals and partnerships, first.** Free, slow-burn, and consistently the best return of any channel. Ask happy customers for introductions, and partner with businesses that serve the same people without competing.
- ✓ **Organic social and content.** Keep showing up where your buyers are. It compounds over time at no media cost.
- ✓ **Paid ads, once you know what converts.** Budget at least R5,000 to R10,000 a month or you are spending into noise. Start small, measure what turns a stranger into a lead, then scale only what works.
- ✓ **SEO, the long game.** Six to twelve months to traction. Worth building into your site from the start, worth far less paid to a "quick SEO" service.

## Customer support and CRM.

The principle that beats any tool: respond fast. A lead answered in five minutes converts far better than the same lead answered the next day. Be the business that replies first.

- ✓ **Do it manually first.** Turn on notifications, reply from your phone, keep a simple note of who asked for what. A quick reply and a spreadsheet beat an expensive CRM you never open.
- ✓ **HubSpot Free,** when the spreadsheet creaks (around 50 active contacts). A genuinely useful free tier.
- ✓ **Zoho CRM,** similar capability, slightly cheaper paid tiers as you grow.

### **Project and time management.**

- ✓ **Notion**, versatile. Most founders converge here within six months anyway.
- ✓ **ClickUp, Trello, or Asana**, pick one on team preference.
- ✓ **Toggl or Clockify**, if you bill hourly.

### **HR and payroll (if hiring).**

- ✓ **SimplePay**, SA-native, simple, cheap (about R110 per employee a month). Default recommendation.
- ✓ **Sage Payroll**, fuller-featured, more expensive. Pick this past 20 employees.

### **B-BBEE certificate.**

Only if your customers ask (corporate clients, government tenders).

- ✓ **Sworn affidavit**, free, easy, valid if turnover is under R10m a year. Most small businesses qualify.
- ✓ **Verification audit**, required above R10m or for a specific level. R5k to R30k depending on size.



YOU CAN DO ALL OF THIS YOURSELF

**Or, when you would rather not build the credibility layer by hand, that is the part we do. In a day.**

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