

A path to success one step at a time...

New Business Checklist

Many people get a great idea, or have a burning desire to start their own business, but want to jump straight into sales. While we are advocates of the idea of “just do it”... a little planning can ease the impact of the many challenges you will face, particularly in the first six months. Proper research and preparation will ensure your business will run more effectively and efficiently, and will help manage your **time** - which is your greatest, and most valuable, resource.

	Priority	Topic	Check off each task below as you complete them.
	1	Planning	Write down the major reason you want to own your own business. Don't go into detail for now, that will be included in your business plan later. Simply list the main reason you want to start this business... to gain flexibility, to be your own boss, financial independence, etc. <i>Write it down in big letters and put it somewhere you will look at it every day.</i>
	2	Planning	What is the main mission of your business? What do you want to accomplish, <u>what's your purpose?</u> For example, our purpose is to help other businesses succeed. Everything you do in your business should support this statement. This will be incorporated into your Mission Statement.
	3	Planning	What significant problem will your products or services resolve for customers? The answers to this question are extremely important and will help define what you will offer for sale. The problems you solve should be significant (migraines versus minor headaches) in order for your business to thrive; the better it is differentiated, the easier it will be to market and sell.
	4	Planning	Where will you conduct your business? Do you need retail or commercial office space? If so, will you lease or own? Will this be a home based business? If so, make sure to designate an “office” - no matter how small of a space so that you have a place to concentrate on business and qualify for a home business tax deduction. Be sure to review city, county, and state codes. Many cities have business zoning regulations, even for home based businesses.
	5	Finance	How much will it cost to start your business? Make a spreadsheet and title it “ Start-Up Costs ”. The column on the far left should be for the description, and the headings across the top should be months, starting from when you are going to start your business, and continuing for at least one year, with each month labeled. This will be filled in as you learn the various costs. Keep in mind, your start-up costs will likely be higher than you estimate so include a figure for unexpected or miscellaneous costs.
	6	Planning	How will your business be financed? If you don't have the startup cash you need in a savings account or other liquid asset

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			your options are getting a loan, creating equity financing, applying for grants, and developing crowd-sourced funds. Most businesses start with owner's funds and some personal debt until they are able to prove the viability of their business model to obtain further financing.
	7	Planning	Choose an official start date. Now that you are more clear on the why, what, where, and how much, you can choose a launch date. This can be the date your registration papers are issued (that doesn't have to be your actual start date) or a date you determine when your business will be ready to offer its products or services. Your start date will help you determine when many of the activities in this checklist will need to be completed in order to be able to start actually selling.
	8	Marketing	Determine your USP (Unique Selling Proposition). What is going to clearly distinguish you from your competitors? Why should a customer purchase from you rather than anyone else? And, what kind of experience do you want to create for your customers? Answering these questions now, before you even decide on a name, will help you better define your target markets and your overall approach to sales, marketing, and branding strategies.
	9	Marketing	Specifically define your customers. Who will buy your products/services? What age? Are they married? Do they like a particular hobby? Create a description (profile) and be very detailed for each different type of customer you can envision. This will help you focus on who to market to and how to market to them. Ask yourself, "who is most likely to buy my products/services" and "what would the ideal customers be like". You may have several unique customer profiles and they may change over time but for now, try to be very specific.
	10	Marketing	Conduct a thorough market analysis. In order to be successful and to be able to set yourself apart from others in your industry, you need to find out how big the potential market is (based on your customer profiles), what your competitors are doing and charging, and what the current trends are. This is a key activity that many new business owners don't do well enough. In the end, a thorough analysis will help you prove to yourself that you indeed have a viable business idea that will generate sustainable revenue.
	11	Planning	Choose a name. A name should reflect what your business is about; in particular, it should encompass your purpose or vision in some form. Finding an available web domain name can be challenging as so many business friendly names are already registered. You can hire a marketing or business consultant or have a brainstorming session to come up with as many possible names as you can, find out domain name availability, rank each option, and choose the best one.
	12	Planning	Choose a tag line. Your tag line helps customers understand what your business is; it should include the benefit to your client or further describe your unique business offering. Our tag line is "Big Solutions for Small Business" which describes not only what we do but who we serve. Be creative – this is the fun part!
	13	Marketing	Design your logo and choose company colors. Ultimately the purpose of a logo is to be a symbol of your business that customers immediately recognize. There are many software programs and professional people to help with this. Make sure to spend some time on this as this will impact your clients visually both on your business cards and website, along with other promotional material. You can have multiple colors. Ours are blue, yellow, and red-violet.
	14	Regulatory	Choose a business organization entity. Options include sole proprietorship, partnership, LLC, LLP, corporation (S or C), or Not-for-Profit (501c) and Cooperatives. There are pros and cons for each for liability, tax filing, costs and paperwork. The IRS and state government websites have a lot of helpful information on choosing an entity.
	15	Planning	Create your business plan. This will be immensely helpful for you in solidifying your business concept and prove that it is a viable one. It doesn't have to be a huge document but it needs to cover the basics including your products & services and how and why customers will purchase from you. You'll want to lay out your plans for marketing, operations, sales and include at least a 3-year forecast of revenues and costs. There are many templates available to make this task easier. Remember, it's hard to travel without a map or know where to aim without a target!

	Priority	Topic	Check off each task below as you complete them.
	16	Marketing	<p>Decide if you need protection on your products, services or names and use the correct marks:</p> <ul style="list-style-type: none"> • TM (Trademark) • SM (Service mark) • © (Copyright) • ® (Registered trademark – requires federal registration)
	17	Regulatory	<p>Register your business with your state. Each type of business entity requires different filings. Fees and forms can be found online typically at your Secretary of State website. (Remember to record any Start Up costs). Here is a brief overview of the registration process:</p> <ul style="list-style-type: none"> • Do an entity name search. • Any individual, corporation, limited partnership or limited liability company that conducts business under a name other than their full legal name, may need to file a Certificate of Assumed Name. • Publish Certificate of Assumed name (if required for your entity type) in local newspaper two consecutive weeks. • CORPORATIONS, NON PROFITS & CO-OPS: Complete Article of Incorporation. • LLC: Complete Article of Organization. • LLP: Complete Statement of Qualification.
	18	Regulatory	<p>Apply for State permits and Tax ID number. If you will be selling products and services to an end user that requires sales tax to be collected, or if you purchase materials that will be incorporated into products for sale, you may need to file for a Sales Tax number. This is usually done through the Department of Revenue. Sales tax is reported and paid for monthly, quarterly or annually, depending on sales volume and state requirements. If you sell out of state, you may have sales tax liability in other jurisdictions as well.</p>
	19	Regulatory	<p>Apply for Federal permits and Tax ID number. Also known as a Federal Tax ID, this is required if you:</p> <ul style="list-style-type: none"> • Have employees • Are a Corporation or Partnership • If you file Employment, Excise, or Alcohol, Tobacco and Firearms tax returns • If you withhold income taxes paid to non-resident aliens • If you have a Keogh plan • Or if you deal with Trusts, Estates, Real Estate mortgage investments, Non Profits, Farmer's Co-Ops or Plan Administrators • We recommend all businesses, regardless of entity, get a Federal EIN so you don't have to use your Social Security Number on any legal forms. The process is quick and easy. Go to: https://sa2.www4.irs.gov/modiein/individual/index.jsp
	20	Regulatory	<p>Determine whether you will hire or contract any employees. If you have employees, you may need Worker's Compensation Insurance and/or other requirements. Check with your Secretary of State or your state's Department of Labor.</p>
	21	Finance	<p>Set up business checking and savings account. No matter what entity type you choose, we strongly recommend you <u>keep your books totally separate from your personal finances</u>. In some cases, this is a legal requirement (LLC, Corporation, etc.). <i>You will need copies of your business entity documents from the state in order to open your bank accounts.</i></p>
	22	Finance	<p>Apply for one credit card, with rewards, to be used only for your business. Pay the entire balance off each month.</p>
	23	Regulatory	<p>Obtain business insurance. Depending on the type of business you have, this could be simply general business liability or could</p>

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			involve bonding and other insurance requirements. <i>Make sure to put these numbers on your Start Up Costs spreadsheet.</i>
	24	Operations	Set up business e-mail address and phone number. These should be separate from your personal email and phone and always answered in a professional manner. <i>Put a signature line on your e-mail. Answer your phone with the business name during business hours.</i>
	25	Marketing	Create a website. This is the first impression your potential clients have of your company – make sure it is a great one! In today's competitive market, driven by information technology, you need to capitalize on every marketing tool available to you and have a strong presence on the Internet. There are a lot of very helpful tools and sites that you can use to create your own website or services to hire someone to create one for you, at very reasonable costs.
	26	Marketing	Order business cards. This will be your cheapest form of marketing. Hand them out everywhere. They should include ALL contact information including e-mail and website addresses.
	27	Finance	Decide what forms of payment you will accept. Cash, checks, credit cards (need to set up merchant account), or PayPal. There are many options and these options can be integrated with QuickBooks and other accounting software tools.
	28	Finance	Set up your financial accounting and use it – constantly! Smart business management and decisions start with accurate and up-to-date financial information. Many business owners get overwhelmed with all the aspects of bookkeeping such as categorizing expenses, entering receipts, tracking estimates, creating invoices, recording payments, monitoring inventory, and preparing and reading financial statements. But it doesn't have to be a difficult or painful process – especially if you stay on top of it on a consistent basis. <i>Purchase and install a business finance software product – we recommend QuickBooks Pro and use it to manage your day to day financial operations.</i>
	29	Finance	Hire an accountant. Owning a business is very complex in terms of tax laws. We strongly suggest you have an accountant prepare and file your tax returns. This will ensure you are taking advantage of every deduction.
	30	Regulatory	Understand and comply with regulatory requirements. There are 1,146 federal tax forms and many hundreds of state forms. Most IRS regulations are complex and have many variables and many industries have their own compliance policies. Regulatory issues are a part of every business and you should stay educated on IRS, industry and legal requirements. As we all know, ignorance is no excuse for the IRS. In addition to these there are a number of other regulatory requirements for owning a business, from the Fair Labor Standards Act (minimum wage and overtime) to the Occupational Safety and Health Act (OSHA). Start at the US Department of Labor for information: http://www.dol.gov/oasam/programs/osdbu/sbrefa/ . In addition, the National Federation of Independent Business (NFIB) has information on regulations and changes affecting business: http://www.nfib.com/ .
	31	Operations	Purchase equipment needed for startup. Save all receipts from pencils to capital equipment and enter them properly into your bookkeeping system, taking advantage of depreciation where applicable.
	32	Marketing	Develop your marketing and sales tools. Based on the business plan that you developed earlier, (it should include your marketing plan) make a list of the marketing materials that need to be created. Whether you create them yourself or have someone else do it your materials should have a consistent design throughout and be focused on the value proposition that you are providing to customers with your products or services. Review Step 3 in this checklist where you identified the key problems your customers experience and how you can help solve those problems. Materials may include brochures, data sheets, application notes, white papers, buying guides, price lists, etc.

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	33	Marketing	Set up your social media accounts and other online marketing accounts. There are many social organizations online; the most commonly used are Facebook, LinkedIn, Twitter, Pinterest, and YouTube. Make sure that you set up active accounts <u>only that you will update regularly</u> (many recommend daily or more updates!); otherwise it may do more harm than help if customers think you are unresponsive or inactive in your media space.
	34	Marketing	Actively market and sell every day! As Peter Drucker said, “the business enterprise has two and only two functions; marketing and innovation – they produce results, all the rest are costs”. From social media marketing and newsletters to advertising and blogs, marketing is a number one priority each day and sales is number two. Plan for it by putting it on your calendar and making it a habit.
	35	Marketing	Join a Chamber of Commerce and get involved. Your local Chamber of Commerce is an excellent way to network and get to know what is going on in the business community near you. The fees can seem large at first, but if you get involved, it is well worth the investment. You will gain website exposure, business leads and contacts, and various promotion opportunities to enhance your marketing.
	36	Marketing	Join professional organizations and be involved. For any industry, there are usually many professional groups or associations directly related to your business. Join free ones, but pick <u>one</u> that requires a paid membership that best fits your business philosophy and plans.
	37	Sales	Start Selling! Owning a business can be complicated, as you may have discovered by completing the steps above. But the rewards of managing your own time, serving your clients, and making money, are well worth persevering! Now that you have your business established, you can focus on getting and receiving customers and growing your business.
	38	Sales	Follow-up on all your e-mail and phone calls. Remember FUFT: Follow up & Follow through – the number one business rule!

Remember, every no brings you closer to a yes. There are no failures – there is simply learning what does not work so you can find out what does.

HELPFUL LINKS:

- ❖ www.irs.gov/ - For all federal tax rules, forms and questions
- ❖ www.sba.gov/ – U.S. Small Business Administration resources
- ❖ www.score.org – Past business owners and managers providing business counseling
- ❖ Ehow.com and wikipedia.org – often useful “non-official” sources of general information

