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Steps Before Starting Your Business

Starting your own business is one of the most exciting times in your life!

This handout/packet is to ensure you have taken all necessary steps to starting your own business. Below is an outline of preliminary steps to take:

1. **What kind of business do I want to start?**
2. **Who is my target market?**
3. **Who is my competition?** (*Example:* if you are a restaurant owner and your cuisine is Hispanic food, you may think only Hispanic restaurants are your only competition. **INCORRECT!** Hispanic restaurants are direct competitors and all other restaurants in your city/region is considered as your indirect competition.)
4. **Researching my industry.** Have you considered all factors within your industry? Doing thorough research of the risk factors that can negatively affect your business is a great starting point. This research will assist you in remaining aware of situational factors that arise in the news, industry and market that could potentially affect your business directly or indirectly.
 - a. Demographic Trends *What demographic changes are occurring?*
 - b. Technological Trends *What industry is next to be impacted by changes in the rapid continuing of technology evolution?*
 - c. Socio-Cultural Trends *What socio-cultural changes will require companies to change or adapt? (Immigration/language barriers)*
 - d. Economic Trends *What economic changes are likely to occur in the future?*
 - e. Political/Legal Trends *What political and legal changes are likely to impact business? (This is especially important for non-profits and governmental contracting businesses.)*
5. **Would it be easier if I started a franchise?** A franchise business is thought to be appealing because it can save eager business owners the risk and frustration in creating their own business. However, franchises leave less room for creative control and come with a lot of limitations.
6. **Partnership business considerations.** Do you have a relative or close friend interested in the same line of business? Would this relative/friend be a good business partner? If yes, why?
7. **Have I thought of a name for my business?** Selecting a name for your business is a fun way of combining your ideas with how you want your target audience to perceive you. A helpful bit of advice is searching for your prospective business name in a search engine. How many names or similar names come up in the search? Select a catchy yet easy to interpret business name that will help future customers identify your business as opposed to a similarly named business.
 - a. Do not select a business name that is so obscure your customers will not know how to spell or identify it.
 - b. Stand clear of names/phrases that are "common" as it might interfere with the uniqueness of your business name.



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8. **Is the domain for my business available?** Rather or not your business will be online-based you want to be accessible to the public (because it generates new possible clientele). GoDaddy.com is an excellent starting tool in searching for the availability of YOUR business name/domain.
 - a. Visit [GoDaddy.com](https://www.godaddy.com) and type in your proposed business name.
 - b. Is it available? Do you have a similar name to many other business entities? If so, try going back to the drawing board and select a more unique name.
 - c. Purchase your domain. Purchasing your domain will solidify anyone from being able to use it.
9. **Registering my business name.** Visit [Sunbiz.org](https://www.sunbiz.org) to legal register your newly chose business name.
10. **Create a company to-do list.** List out all of the things you need to perform before the launch of your business. List each factor in priority order in A-Z order, with "A" being the most important and "Z" being the least important. This is a good way of keeping yourself accountable and motivated.



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Starting a Business

Congratulations! You are ready to legally register your business.

Starting a business involves planning, making key financial decisions, and completing a series of legal activities. These 10 easy steps can help you plan, prepare, and manage your business as follows:

- 1. Register your business name with your state government.** Visit Sunbiz.org to properly register your business name.
- 2. Determine the legal structure of your business.** Decide which form of ownership is best for you: Sole Proprietorship, Partnership, Limited Liability Company, Corporation, S Corporation, Non-Profit, or Cooperative.
- 3. Get a tax identification number.** Learn which tax identification number you'll need to obtain from the IRS and your state revenue agency. Visit IRS.gov for more information.
- 4. Obtain business licenses and permits.** Get a list of the following: federal, state, and local licenses/permits required for your business.
- 5. Register for state and local taxes.** Register with your state to obtain a tax identification number, workers' compensation, unemployment, and disability insurance.
- 6. Write a business plan.** If you need assistance in creating a business plan, contact our office to have one of our Certified Business Analysts send you a business plan template. This written guide will help you map out how you will start and run your business successfully. Once you have completed your business plan or if you get stuck on an area, you can contact one of our CBAs to review and offer constructive feedback on your business plan.
- 7. Get business assistance and training.** Take advantage of free training and counseling services on everything from preparing a business plan and securing financing, to expanding or relocating a business. Visit OEVforBusiness.org or SBCDFAMU.org to learn more.
- 8. Choose a business location.** When selecting a locale for your business, be sure to select an area where your target customer base is able to easily get access. Also, review the property thoroughly in order to comply with all zoning laws or restrictions.
- 9. Finance your business.** Create a separate bank account from your personal account. Month by month, allocate a small percentage of your earnings into this business account. This will assist you in seeing how much money you can use to personally finance yourself as well as making sure your business venture doesn't financial affect the priorities of your everyday life.
- 10. Understand employer responsibilities.** Learn the legal steps you need to take to hire employees. Scheduling an appointment with an attorney to assist you with the various legal precautions you will need, such as contract agreements, trademarks, etc.



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Starting a Business Worksheet

1. **Choosing a business name.** What is the name of my business?

a. Will my customers be able to identify what line of business I am in off my name alone?

2. **What is my industry?**

a. Conduct a thorough research report on your industry and the possible factors that can negatively affect your business.

b. **Seasonal demand and decrease?** Every industry has high and low periods. How will your business adapt during these periods?

3. **Competition.** Who is in my industry?

a. **Direct competition:** Those in your industry selling the same or similar products or services.

b. **Indirect competition:** Those that are in your industry but are not selling the exact same products or services.

c. **Replacement competition:** Larger, well known organizations. Those in your industry that substitute products but have the same customer base as you.



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EXAMPLE: Consider yourself part of the restaurant industry. You wish to open a Cuban restaurant. Your **direct competitors** would be other restaurants in your area serving Cuban cuisine. Your **indirect competitors** would be all other restaurants in your city. Your **replacement competitors** would consist of grocery stores and those that cook food at home.

Complete the following.

List 5 Direct Competitors	List 5 Indirect Competitors	List 5 Replacement Competitors

4. What sets my product/service apart from my competitors?

5. Conducting a competitive analysis. How can I be better than my competition?

Does my business possess the following?

<i>Compare yourself to your competition:</i>	My Business	My Competition
Loyal Customers		
Steady Revenue Stream		
Quality of Product		
Quality of Service		
Branding		
Marketing		
Networking		



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6. Who are my customers?

a. My ideal customer.

b. What does my ideal customer's everyday life consist of?

c. How would I best market my product/service to this customer?

7. Who will I work with?

a. Will I be the only employee? _____

b. Will I have employees? _____

c. If yes to the above question, how do I intend to pay employees upon the start of my business?

8. Complete the sentence. The world would be worse off without my business because



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9. Defining my business need.

a. Why do my potential customers *need* the product/service I am offering?

b. What *need* does my product/service fulfill?

10. Is my business feasible?

a. Do I have enough capital to begin?

b. If no, how do I intend to gain capital?

c. Do I intend to pursue investors or lenders?



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d. If yes, how long before I intend to pay them back?

e. Do I keep an updated record of my finances? Are my finances reputable? Do I have a good credit score? Note: each of these factors is imperative toward seeking financial assistance.

f. **Supply.** What items will I need to begin? How will I purchase these items?

g. Is my business legal? Research to ensure your business is legal in your country, city, and state if you are not sure.

Congratulations! You have successfully completed this worksheet. You may either begin registering your business at Sunbiz.org, contact your FSBDC Office at (850) 599-3407 or visit SBDCFAMU.org to set up an appointment with one of our Certified Business Analysts for further assistance, or contact the Office of Economic Vitality at (850) 219-1060 or visit OEVforBusiness.org for more information.