



Center for Women & Enterprise  
Your Vision. Our Mission.

# **STEPS TO STARTING A BUSINESS**

**Michelle Miller**



Center for Women & Enterprise  
Your Vision. Our Mission.

## Who we are

- Technical assistance provider for small business
- Focus on women & veterans – not exclusive to them
- Resources for people looking to start, grow and exit their businesses

## What we do

- Consults
- Classes and workshops
- Networking events
- Annual one-day conference (WBLC)
- WBENC Certification



Center for Women & Enterprise  
Your Vision. Our Mission.

# Session Goals



Center for Women & Enterprise  
Your Vision. Our Mission.

## Goals:

- Provide understanding of the process for starting a business
- Provide information for next steps
- Provide resources for next steps



Center for Women & Enterprise  
Your Vision. Our Mission.

# Steps to Starting a Business



- 1. Write a business plan**
- 2. Determine a legal structure**
- 3. Choose and register business name**
- 4. Determine financing needs**
- 5. Get employer identification number**
- 6. Find a location (if applicable)**
- 7. File for licenses and permits**
- 8. Get insurance**
- 9. Set up tax reporting and accounting**



Center for Women & Enterprise  
Your Vision. Our Mission.

# Why Write A Business Plan?



Center for Women & Enterprise  
Your Vision. Our Mission.

- Roadmap for your first years
- Minimizes risk
- Needed for financing
- Knowledge gained – Knowledge is power
- Increases chances for success





Center For Women & Enterprise  
Your Vision. Our Mission.

# The Business Plan Outline



- Cover Page
- Table of Contents
- Executive Statement
  - Summary of Business Plan
- Description of the Business
  - Clear description of what you are going to do
  - Goals and strategies
- Market Analysis
  - Industry research
  - Industry trends
  - Target market research



- Competition
  - Competitive Advantage
  - Competition Matrix
- Pricing and Product Plan
  - Description of products/services
  - Costs and Prices
  - Gross Profit Summary
- Marketing Strategies
  - Marketing strategy
  - Promotions strategy



- Operations Plan
  - Purchase of supplies/equipment
  - Distribution processes
  - Management of services (i.e. inventory, quality control)
- Management and Personnel
  - Description of management team and duties
- Financial Plan and Statements
  - Financial need
  - Income and cash flow statements
  - Balance sheets
  - Break-even analysis
- Supporting documents (i.e. appendix)



Center for Women & Enterprise  
Your Vision. Our Mission.

# Determining a Legal Structure



## **Sole Proprietorship:**

*You are self employed and are the sole owner of an unincorporated business*

### • **Advantages**

- Simplest form of legal structure
- You are the sole owner
- There are fewer governing regulations
- Total control
- Lawyer unnecessary for establishment
- Pass-through taxation

### • **Disadvantages**

- You are personally liable
- Difficult to get financing
- Business is dependent on you
- Limited growth potential
- Death, illness or injury can endanger the business



## **Partnership:**

*Two or more persons own the business*

### • **Advantages**

- Easy to form
- Shared responsibility
- Increased tax potential
- Ease of operation

### • **Disadvantages**

- Dissolution can be difficult
- Profits and losses correspond to equity share
- Partners bound by each others' decisions
- Lawyer suggested to write buy/sell agreement



## **Corporation:**

*A legal entity; separate from owner*

### • **Advantages**

- Liability on corporation
- Greater access to business expertise
- Greater opportunity for raising capital

### • **Disadvantages**

- Annual report and filing fee
- Increased tax burden
- Costs more to form and maintain
- Must follow government regulations
- Lawyer required to prepare and file documents





## Limited Liability Company (LLC):

*Similar to corporation and partnership; provides management flexibility and benefits of pass-through taxation*

### • Advantages

- More flexibility than S Corp
- Loss deductions are more liberal
- Less restriction
- More stock options
- Lower cost to establish than C or S Corp

### • Disadvantages

- Rules are state dependent
- Difficult to operate in other states
- Converting an existing business may have tax implications
- Annual filing fee



Center for Women & Enterprise  
Your Vision. Our Mission.

- Discuss liability issues with a lawyer
- Discuss taxation issues with a CPA

*NOTE: You can change your structure from most base (sole proprietorship to more complex (corporation) as your business evolves*



Center for Women & Enterprise  
Your Vision. Our Mission.

# Choose and Register a Business Name



- **Considerations:**

- Is it descriptive of my business?
- Does my name have staying power?
- Should I combine it with a logo? What kind of logo will go with my name?
- Will my name be my domain name?
- Is my name available as a domain name?

*NOTE: If you search for a name you are considering, buy it for a short time until you decide for sure.*

- Will my name function internationally?
- How will I include my legal structure?
- Will it include my personal name?



Center for Women & Enterprise  
Your Vision. Our Mission.

# Determining Your Financing Needs



- What are start-up costs?
- When are you generating cash?
- Plan for cushion (if revenues are late or expenses higher than expected)
- If you plan to borrow or seek investors:
  - Be clear about intended use of funds
  - Choose right amount, right time, right terms and conditions
  - Open a business checking account
  - Establish relationship with banker



Center for Women & Enterprise  
Your Vision. Our Mission.

# Get An Employee Identification Number



- **How do you apply?**

- Online

- Go to: <http://www.irs.gov>
- Click on: Apply for an EIN online

- Telephone

- (800) 829-4933

**NOTE: A sole proprietor can use their social security number instead, but an EIN is recommended to protect identity.**





Center for Women & Enterprise  
Your Vision. Our Mission.

# Finding a Location



Center for Women & Enterprise  
Your Vision. Our Mission.

## How do you choose a location?

- **Consider:**
  - Visibility/accessibility
  - Target market
  - Competition
  - Sources of supply
  - Labor force
  - Cost



Center for Women & Enterprise  
Your Vision. Our Mission.

# File for Licenses and Permits



Center for Women & Enterprise  
Your Vision. Our Mission.

- Requirements vary by business type & location
  - Federal licenses and permits
  - State licenses and permits
- SBA website – District office in Boston
- Mass.gov
- City or Town Hall



Center for Women & Enterprise  
Your Vision. Our Mission.

**Get Insurance**



- **Basic kinds of insurance**

- Property & Liability
  - All businesses should have liability (minimum) to start
- Life (Key person insurance)
- Health
- Employee Benefits
- Worker's compensation when you have employees
- Disability (short and long term)



Center for Women & Enterprise  
Your Vision. Our Mission.

# Set Up Tax Reporting & Accounting



Center for Women & Enterprise  
Your Vision. Our Mission.

- Get automated
- Consider hiring an accounting professional to help set up (QuickBooks, etc.)
- Keep books on schedule
- Know how to read financial statements
- Review financial statements monthly or more often to guide you in making good management decisions





Center for Women & Enterprise  
Your Vision. Our Mission.

# Points to Remember...



Center for Women & Enterprise  
Your Vision. Our Mission.

- Use a business plan as a guide and update it often
- Use resources available to help you
- Commit to continuous learning about your industry and business management



Center for Women & Enterprise  
Your Vision. Our Mission.

To register for any of our programs or to learn more about our classes, please visit our website at [www.cweonline.org](http://www.cweonline.org) or contact:

Michelle Miller

Director

[mmiller@cweonline.org](mailto:mmiller@cweonline.org)

508-453-9206

Samantha Pevear

Digital Media & Program

Manager

[spevear@cweonline.org](mailto:spevear@cweonline.org)

508-453-9209