

ThinkPerry

HOW TO START A BUSINESS IN 9 STEPS

1. PICK A BUSINESS NAME

Business names play an important role in the success of every business. To succeed, your business name must resonate with potential customers.

When coming up with the name for your business, choose a name that's easy to memorize and pronounce. You don't want a name that's difficult to spell or is too long. Additionally, it should be aligned with the overall mission of your business.

Do some research to make sure the business name isn't already taken by Googling the name, running a trademark search, and looking at domain names.

It's also a good idea to run the names you come up with by your family and friends. Ask for their honest opinions and feedback, and pay attention to what they have to say.

2. CHOOSE A BUSINESS STRUCTURE

How your business is taxed and what paperwork you must file depends on the business structure you choose. Choose the most suitable business entity by comparing and contrasting your options.

- ▼ Sole proprietorship
- ▼ Partnership
- ▼ LLC
- ▼ Corporation
- ▼ S Corp

3. WRITE A BUSINESS PLAN

A major part of starting your own business is whipping up a business plan. A business plan serves as a roadmap for your business. This can help you gain a better understanding of your market, obtain funding, and set goals for the future.

In order to write a business plan, you must know what you're offering and conduct thorough research about your market and competitors. Having those building blocks in place, you can develop your business plan.

- ▼ Executive summary
- ▼ Company description
- ▼ Market analysis
- ▼ Organization and management
- ▼ Service or product line
- ▼ Marketing and sales
- ▼ Funding
- ▼ Financial projections
- ▼ Appendix (e.g., additional documents)

4. REGISTER YOUR BUSINESS

Do you think you've found the perfect name for your business? Great! Now you need to register the name with your state.

A business name's registration depends on the structure of your business. In some cases, like with corporations, you register your name when filing documents to form the business.

You may also need to file for a "doing business as" name. A DBA is different from the legal name of your company. Your DBA is the name the public sees on advertisements, signs, and your storefront.

Visit www.chamberofcommerce.org/dba/tennessee/ to learn more about registering your business's legal name and DBA.

5. SET UP TAX ACCOUNTS

Like any other business owner, you need to pay taxes on your company's income and report it to the government.

Depending on your business, you may need to apply for:

- ▼ Federal tax ID number
- ▼ Employer Identification Number (EIN)
- ▼ Business tax ID number (e.g., permits)
- ▼ State tax ID number
- ▼ Local tax ID number

6. GET LICENSES AND PERMITS

Permits and licenses allow you to operate in your locality and perform certain functions, like collecting sales tax from customers.

Types of licenses and permits you may need to obtain include:

- ▼ Business license
- ▼ Sales tax permit
- ▼ Resale permit
- ▼ Professional licenses (e.g., doctors, lawyers, etc.)

You must apply for and obtain the proper business licenses and permits to legally operate your business. Check with your state and locality to find out what permits and licenses you need to get for your business.

7. SET UP A BUSINESS BANK ACCOUNT

Combining your business and personal expenses may not seem like a bad idea at first, but it can lead to plenty of problems down the road. Mixing funds can make your accounting records disorganized, giving you an inaccurate snapshot of your finances and causing you to overspend.

You generally need to provide your name, SSN, business name, DBA name, Employer Identification Number (EIN), and business license to create a separate bank account for business. To set up a business bank account, follow these steps:

- ▼ Select a banking institution
- ▼ Prepare your documents
- ▼ Open the account in person or online
- ▼ Double-check that your information is accurate

8. ESTABLISH A BUDGET

Creating a business budget is oh-so important, especially when you're first starting out. Your business budget can help you forecast cash flow, spot financial problems, and track your progress and goals.

When establishing your home-based business budget, think about the following types of expenses:

- ▼ Utilities
- ▼ Supplies
- ▼ Equipment
- ▼ Marketing

Of course, these costs can vary from business to business. Lay out exactly what costs you plan on having and create a budget from there.

9. SECURE FUNDING

Just like any other type of small business, you likely need to secure funding to help your business get off the ground.

To help with said expenses, you can do one (or some) of the following:

- ▼ Get a business credit card
- ▼ Receive a loan from your bank
- ▼ Apply for an SBA loan
- ▼ Borrow funds from friends and family
- ▼ Seek help from investors
- ▼ Use some of your personal savings

*Now Open your Business
& Make a Difference!*

