

Business Start-up Checklist

If you are thinking of starting your own business, you have come to the right place. From our start-up workshop series to our extensive resources of information, the SBDC at PCED has the tools you need to evaluate your business concept and make decisions about pursuing small business ownership.

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Attend SBDC's "How to Start Up Your Own Business" workshop. In this Two-hour session, we answer lots of question you have about starting your own business. But more importantly, you will leave with answers to questions you never knew you were supposed to have as you get started.

Assess your skills and expertise. Do you have the entrepreneurial characteristics it takes to start and run your own business? Persistence? Self-motivation? Communication skills? These are just a few traits of a successful entrepreneur. If there are gaps in your skills or management expertise, how will you fill them?

Get experience. You increase the likelihood of success in starting and running a business when you have some industry experience. If you have never worked in the industry, seek out opportunities to do so.

Conduct market research. Gathering information about the industry, competition, and potential customers is critical in determining the viability of your business idea. What trends are impacting the growth (or decline) of the industry? Who are your competitors and what are their strengths (and weaknesses)? What is your competitive advantage? What is the profile of your ideal customer? Where are they located? How many are out there? And are enough of them willing to buy what you are selling at a price you need to sell it for to make money?

Write a business plan. Failure of a business can often be attributed to lack of planning. In the start-up stage, a written plan helps you assess the feasibility of your business concept, organize information, and make a go/no go decision about starting the business. In addition to describing the business and operations, the plan outlines the marketing strategy to include pricing, distribution and promotion of your products and/or services.

Project cash flow. Using the market research you have gathered and the business model you have described in your plan, prepare cash flow projections to determine how much money you need to get started, how much working capital you need to have on hand, and when you will make enough money to cover all your expenses.

Evaluate your financial resources. Do you have money to cover all your start up costs and provide sufficient working capital? If not, how much more do you need, and where can you get it? Do you have good credit and sufficient collateral to qualify for a loan? What about a financial partner or

investor? Can you provide a return on their investment in a reasonable amount of time? And are you willing to give up a percentage of ownership in your company?

Seek professional help. Most small business owners are technical experts – that is, they are good at whatever it is that they “do”. But often, they are not experts in other areas critical to business success such as accounting, human resources, insurance, or marketing. It is a good idea to hire professionals who can assist you in these areas.

Select the legal structure for your business. The decision on whether to incorporate, form an LLC or partnership, or operate as a sole proprietor is an important one that is influenced by the number of owners, tax implications, and liability issues. If you plan to go into business with other people, seeking legal advice is a good idea.

Complete necessary registrations. Setting up a corporation or LLC (and sometimes partnerships) requires filing paperwork with the State. Counties and/or cities often require application for a “business tax receipt” before you commence operations. You may need a federal tax ID number from the IRS as well as a sales tax ID number from the Florida Department of Revenue. Sole proprietors and partnerships need to register “fictitious names” or DBAs (“doing business as”) with the State. Other registrations may be required depending on what type of business you are starting.

Set up a recordkeeping system and a bank account. Being able to track your revenues and cost of goods is important to monitor how much money you are making on the sale of your products or services, which are profitable, and which ones are “not”. Keeping track of expenses helps you identify areas where you can become more efficient, reduce expenses and improve the bottom line. The IRS also wants you to have accurate records when you report income and expenses.