General Checklist for Starting a New Business

☐ Feasibility Study

Before you invest a great deal of time and energy in preparing to start a new business, it's essential to research whether or not there’s a market for the products and/or services you plan to provide. If your new business idea proves not to be viable, you certainly need to know that early in the process. This gives you an opportunity to re-evaluate what you plan to do while you still have time to go in a different direction.

☐ Write a Business Plan

Your business plan plays an important role in getting your business started. It lists your company's goals and operations and helps you identify resources. The business plan also contains income statements, balance sheets, and a cash flow analysis; you also will include descriptions of how you will manage and market your business. A good business plan helps you keep many of the moving parts organized as you launch your business. This plan can also help you obtain funding like loans or grants from outside organizations or investors.

If you need help drafting your business plan, consider seeking assistance from SCORE or a small business coach.

☐ Identify Licensure Requirements

Assuming your initial research indicates your business idea has a good chance of success, the next thing to do is find out what licensing requirements you'll have to meet to be in compliance with local, state, and federal laws. If you need to complete credentialing requirements to qualify for licensure, now is the time to take care of doing so.

☐ Choose a Location

Decide if you'll operate a home based business or if you'll need to lease or purchase a physical location for your company. If you want to work from home, verify that doing so is within the zoning restrictions that apply to your neighborhood. If you need commercial real estate for your new business, look for a good commercial realtor to help you look for property and to guide you through the process of seeking a location.

☐ Get Financing

There are several ways to secure financing for your new business:

- Apply for loans from a bank or credit union.
- Pursue loan options through the Small Business Administration.
- Find venture capital from investors.
- Locate grants that may not have to be repaid.

Your business plan can help persuade others to invest in your proposed business.
Open a Business Bank Account

It's important to keep business finances separate from your personal account from the very beginning. As soon as you decide to move ahead with your goal of opening a new business, it's time to open a checking account in the company's name.

Select a Legal Structure

The legal structure you choose for your business will have an impact on how you need to proceed with getting your company up and running. You'll need to decide whether or not to function as a sole proprietorship, Limited Liability Company (LLC), or incorporate. Before you make this decision, it may be in your best interest to consult with a Certified Public Accountant (CPA) or an attorney who has experience setting up small businesses.

Maintain a Budget

It's a fact that starting a business takes money. Composing a budget is one of the first things you need to do when preparing to open a new business. As you move ahead with your plans, enter line items on your budget for every expense you expect to encounter. Keep track of how much money you spend during the planning process, and come up with realistic expectations of startup and operating expenses as you proceed through the research and planning process.

Register the Business

The process of registering your business will vary based on the state in which you plan to operate and the legal structure you select. For example, if you're starting a corporation, you'll need to draft and file an Articles of Incorporation with your state. Additionally, some states require entrepreneurs to submit a formal name reservation request before—in conjunction with—the articles. Contact the office of the Secretary of State in the state where your business will be located to verify the exact procedures required.

Apply for a Tax Identification Number

You need to determine what types of tax ID numbers you will need for your business. You generally will need a federal tax ID number, called an Employers Identification Number (EIN), which you can obtain online. Depending on the location of your business, you may need a separate state ID number as well.