

## **Launching a Startup: 8 Steps to Make it Happen**

Every year, thousands of entrepreneurs across the nation launch their own business. If you're ready to start your own business, here's a step-by-step overview of what you need to do to make your vision become a reality.

### **1. Start with an Idea and Brainstorm**

Perhaps, you've already have zeroed in on a product or service for your new upstart. While having an idea is a good start, it's important to get your mental muscles turning and brainstorm that idea. Is there a demand for the product or service? Who is your target market? Are there additional related services or products that can be tied into the primary offering? Keep in mind that adjunct services and products are an effective way to increase your bottom line. Thinking about potential problems and having solutions in place will also help your launch run more smoothly. The key takeaway with brainstorming is that it's a powerful tool which will get you to think critically about your idea.

### **2. Draft a Business Plan**

A business plan is the road map of your new business. It defines and clarifies the direction of your business, products or services and a description of your customers. It's also an effective way to plan for market changes and focuses on your future vision for company goals. When drafting your business plan, be sure to include facts, statistics and figures that support your idea. This will better help attract investors, partners, suppliers and executive level employees for your new venture. The typical business plan averages 15 to 20 pages and includes an overview of the plan, business description, development, competition analysis, management, market strategies and financial information. A business plan is required to secure funding at the start-up phase and your map to the future.

### **3. Fund Your Business**

To turn your dream idea into a viable business, it's going to take money. There's no magic bullet here, so you'll have to explore your resources and determine which one is most attractive. You can opt for a credit line of credit or a bank loan. Just keep in mind that you'll have to have a solid credit history or existing assets to put up for collateral. Another option is to join a startup incubator. Organizations like Y Combinator not only provide free resources to startups, but seed funding. Some startups find funding from local angel-investor groups. Most metropolitan areas have groups of angel investors who are interested in supporting startups and willing to fund up to millions of dollars for qualified startups. One of the newest ways to get funding to launch a business is to start a crowdfunding campaign online. Online sites like Kickstarter gives you the opportunity to have folks make pledges for a startup. Other ways to garner monies for your new company include getting a small business grant and asking strategic partners, friends or family members.

#### 4. Select an Accountant and Attorney

Both an accountant and attorney should be on your startup team. Entrepreneurs must keep endless amounts of records for tax and legal purposes. An accountant can provide you with a wide range of services through the early stages, including business entity selection, expense tracking, business licenses, financial planning, month-end accounting, tax preparation, an accounting system, W2s and 1099s. Outsourcing an accounting firm lets you focus on your core business instead of non-core business. Accountants are also essential when it comes to raising funds, structuring deals and financial reporting. An attorney adds value to a startup in a variety of ways. Not only does an attorney assist with entity formation, they help you work with the government, third parties and other company founders. You don't want to violate any laws, and an attorney will keep you on the right side of the law. They help you draft the proper legal documents to control risk with suppliers, protect intellectual property rights, employees and customers. Plus, they can assist multiple founders of a startup in drafting up agreements that outline the rights and duties of each.

#### 5. Apply for Tax ID and State Sales Tax Permit

You'll need to fill out a tax identification application to get your tax ID. This number identifies your business on all types of documents and registrations. As a matter of fact, most banks will require your tax ID before you can apply for a business loan or set up a business checking account. You can apply for a tax ID at the IRS website. Just print out a copy of the SS-4 form. And if you're selling any services or products that are subject to sales tax in your state, you must collect that tax from your customers and pay it to the state. It's important to note that if you have more than one location for your business, you must obtain and display a Sales and Use Tax Permit in each location.

#### 6. Obtain a Business License

Your new business needs a business license in order to operate legally, even if you're operating from home. You can find all the information to do this at the SBA website or your city's business website. You'll need to know your business code. Different codes require a specific application process, and each city has its own set of rules and requirements. Generally, you'll have to provide your federal ID number, type of business, number of employees, business address, contact information and the name of the business owner.

#### 7. Know the Labor Laws

Workers compensation coverage is required for businesses with more than three employees. If you have more than three employees, you'll need to attain workers compensation on a self-insured basis, through a commercial carrier or through the

state Workers Compensation Insurance program. Employers are also required by federal and state laws to display posters in the workplace that inform employees of employer responsibilities and employee rights under labor laws. You can easily attain these posters free from state and federal labor agencies.

## 8. Choose a Business Location

Deciding where to set up shop is a critical business decision. The real estate mantra of “location, location, location” has merit for a successful business venture. You’ll want to ensure that the area has the human resources to meet staffing needs. For example, if your startup is focused on detailed work, you most likely wouldn’t want to choose a rural community for its location. Always investigate the available labor pool in your chosen area. Determine the demographic profile of your location. You’ll need to know who your customers are and their proximity to your location. This is important if you’re a retailer or in some type of service business. If you’re customer base is local, you need to ensure that there is a sufficient percentage of the population that needs your product or services to support your business. The community of the location should also have a stable economic base.

Launching a new business takes a lot of planning and effort. Follow these steps, and you’ll be in good shape to tackle the task. Contact this firm to help you with every step of the process.