

Before You Begin

You are considering whether to start your own business. Before jumping right in, there are several steps we recommend that you take to improve your chances of success. The following is a checklist that you can customize to guide you in thinking about whether owning your own business is right for you, and if so, in completing the multiple tasks necessary to start it.

- Personal Assessment**

The first - and most important - thing you should do is a self-evaluation. Being a business owner can be challenging. Knowing your strengths and weaknesses helps you focus your initial efforts on the things you do best, while finding ways to improve upon or compensate for your weaknesses.

There are many workshops and classes you can attend to learn the ropes. The NBEDC can also refer you to business workshops in your community.
- Writing Your Business Plan***

A business plan precisely defines your business, identifies your goals, and serves as your company's resume. The basic components include a current and pro forma (future projection) balance sheet, an income statement, and a cash flow analysis. It helps you allocate resources properly, handle unforeseen complications, and make good business decisions. Because it provides specific and organized information about your company and how you will repay borrowed money, a good business plan is a crucial part of any loan application. Additionally, it informs sales personnel, suppliers, and others about your operations and goals.
- Know All of Your Expenses**

You should know all of your expenses, both one-time, startup expenses and ongoing cash requirements. You should itemize each purchase and expense and research its realistic cost. You should consider: equipment, insurance, business filings, stationery, signage, furniture, supplies, inventory, accounting and legal services, bank fees, salaries, benefits, etc. For help thinking about expenses, review *Managing Your Cash*
- Secure Necessary Capital**

This could be in any form, including bank loans, personal savings, family contributions, etc. Call and ask to speak with our loan officer to discuss your financing needs.
- Legal Considerations**

Determine any legal issues that you need to resolve, including the type of business structure (e.g., sole proprietorship, partnership, or corporation), the terms of your lease, contracts with vendors or financing organizations, etc.
- Registering Your Business**

Obtain a tax identification number and other tax registrations as required. Phone the IRS for a free "Small Business Tax Kit" at (800) 829-3676 or find it online at the IRS' website, <http://www.irs.gov>.
- Establishing A Business Bank Account**

Establish a business checking account that is separate from any personal accounts you may have. Shop for the bank and services that best suit your needs. Consider large national banks and smaller local banks, as each has different strengths to offer to small businesses.
- Setting Up Your Accounting System**

You will not know if you are making or losing money, over- or under-stocking inventory, etc. without maintaining records about your sales, inventory, expenses, and cash flow. These records will also allow you to compare your actual results to your projections and they will be necessary to file taxes at the end of each year. See http://www.sba.gov/starting_business/index.html.
- Assess Your Real Estate Needs**

Determine the type of space you need: square feet, properties' physical condition, layout suitability, traffic flow, parking, utility requirements, and cost. Pay particular attention to how the cost/square foot compares with other comparable locations. When you have found the space, contact the Department of City Planning (508-979-1488) to make sure that your location is in the appropriate zone for your type of business before you sign a lease.

- ☑ **Identify Your Vendors**
Identify those companies or individuals from whom you will buy the products and services you need. Consider their reliability carefully.
- ☑ **Assess Your Personnel Needs**
Identify other positions at the company that you will need to fill. Establish job descriptions and clear required qualifications for these positions.
- ☑ **Start Networking**
Join trade associations or your local Chamber of Commerce to promote your business and meet others in your industry.
- ☑ **Research Technical Assistance Opportunities**
Through the New Bedford Career Center continue to identify classes, workshops, or one-on-one business counseling assistance that will help you better understand how to start and run your business. You will have particular strengths, but as an entrepreneur, you will need to understand every aspect of your business. Strengthen your weaker areas by taking courses, meeting with business counselors or reading materials. In the appropriate circumstances, business service professionals, such as accountants, marketers and attorneys, can be an important investment in the success of your company.

Source: New York City Business Solutions