Making The Right First Steps

When SCORE mentors meet we often talk about our experiences with clients. I had such a discussion recently about what are the “key” points that you cover with a client that is just embarking on the journey of starting a new business.

We are keenly aware that building a successful small business requires a lot of time, thought, and planning. If you’ve never traveled the road to entrepreneurship before, you might find it overwhelming. With so many details to pay attention to, where should you begin?

Several of my colleagues shared their thoughts about this and I took some notes and here is a list that resulted:

- **Contact your local chapter of SCORE** to get guidance from a business mentor and learn what you can expect when starting a business.
- **Determine your value proposition**. What customer needs will you fulfill, and do you have a large enough base of prospects with those needs?
- **Find a good attorney who specializes in small business issues**. Legal formation, human resources issues, etc.
- **Find a small business accountant** to ensure you comply with requirements and file taxes accurately.
- **Determine what legal form will your business take**? Sole proprietorship, Limited Liability Corporation (LLC), S Corp, or C Corp? Consult with your attorney and accountant.
- **Create a business plan**. You don’t need a full plan with financials unless seeking start-up capital. A mentor can give you a lean outline with which to start.
- **Select a bank or financial institution** for general use and one that can potentially provide funding if you’ll need it to start or expand your business.
- **Secure business insurance for liability protection**. Talk with a trusted agent who can guide you in acquiring the proper types and amount of insurance coverage.
- **Create your brand identity**. Choose your business name and develop a logo. Verify with the state and U.S. Patent and Trademark Office that the name and logo design aren’t already taken.
• **Have a website created.** An online presence for your business is essential, as most potential customers will look for information there to learn about your company and its products and services.

• **Identify the appropriate social media platforms** that will work for your business based on where your potential customers spend their online time.

• **Find a printing company.** While much of your marketing and sales may be done online, you’ll need a reliable printing source for business cards, sell sheets, brochures, etc.

• **Secure a dedicated location for your business.** Your needs may be vastly different if you’re a brick and mortar retail store vs. a service provider.

• **Identify your technology needs.** What hardware, software, apps, IT services, etc. will you need to serve customers, market your company, and manage your business?

• **Execute a cash flow analysis.** The #1 reason small businesses fail is they run out of cash. Do a month-by-month Source and Use of Cash projection for the first year. It will help you determine what your selling terms need to be so you’ll have enough revenue to support your business.

• **If you have employees, get a quote for payroll services.** Most are reasonably priced and deliver peace of mind as they process payroll (including applicable taxes), file the necessary paperwork, and handle tax filings.

Your new business may have other needs as well, but these steps from my fellow mentors are a solid starting point.

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