

# 10 STEPS TO STARTING YOUR OWN BUSINESS

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## 1. Take time to brainstorm.

An idea is great, but you need to be able to give it legs. Your job as a new entrepreneur and future business owner is to think about every aspect of your business. Come up with answers to every question a stranger or potential investor might ask you. For example try to answer these questions:

Who is the target market for the product?

What could go wrong and how will you solve it?

Are there additional products or services that could tie into your main offering?

Who are my competitors and how will my company be different from them?

By preparing answers to these questions ahead of time, you'll come across as a more confident and trustworthy business owner when it comes time to try to attract the attention of the right stakeholders.

## 2. Get over the company-name thing.

Don't agonize endlessly over dreaming up the perfect company name. Don't. If you're waiting until you come up with the perfect name, you're also waiting to start making money.

Instead, at least for now, forget branding and unique selling propositions and all the business-identity stuff. And don't worry about finding the perfect URL or website design or promotional literature. You're putting those carts way before your business horse.

Just pick a name so you can get the administrative ball rolling.

Remember, your business can operate under a different name than your company name. (A Fictitious Name form takes minutes to complete.) And you can change your company name later, if you like.

## 3. Get your Employer Identification number (EIN).

An **EIN** is the federal tax number used to identify your business. You don't need an EIN unless you will have employees or plan to form a partnership, LLC, or corporation.

But even if you don't need an EIN, get one anyway: It's free, takes minutes, and you can keep your Social Security number private and reduce the chance of identity theft, because if you don't have an EIN, your SSN identifies your business for tax purposes.

Note: If you're using an online legal service to set up an LLC or corporation, don't use it to get your EIN. Instead, **apply online at the IRS website**. You'll have your EIN within minutes.

## 4. Register your trade name.

If you won't operate under your own name, the state requires you to register a trade name. In most cases, you'll get approved the same day. You can file your name online with the Florida Department of State, Division of Corporations at: <http://www.sunbiz.org>.

## 5. Get your Business Tax Receipt.

The county and city will require a Business Tax Receipt license. The form takes minutes to fill out. Use your EIN instead of your Social Security number to identify your business (for privacy reasons if nothing else). If your business is located in an unincorporated area, only a County Business Tax Receipt will be required. [www.pbctax.com](http://www.pbctax.com) 561-355-2272 press #4

You may be asked to estimate annual gross receipts. Do your best to estimate accurately, but don't agonize over it. You're just providing an estimate.

## **6. Complete a business personal-property tax form if necessary .**

Businesses are taxed on "personal" property, just like individuals. If you are required to file a business personal-property tax form and you plan to work from home using computers, tools, etc., that you already own, you won't need to list those items.

If you purchase tangible personal property during your first year in business, you will list those items when you file your business personal property tax form **DR-405** with the Florida Department of Revenue the following year.

## **7. Ask your municipal government office about other permits.**

Every municipality has different requirements. A Business Tax Receipt is required to verify that a business meets zoning requirements.

Your locality may require other permits. Ask they'll tell you.

## **8. Get a certificate of resale (if necessary).**

A seller's permit, also known as an Annual Resale Certificate **Form DR-13**), allows you to collect state sales tax on products sold. (There is no sales tax on services.

If you will sell products, you must register with the Florida Department of Revenue to receive this certificate.

## **9. Get a business bank account.**

One of the easiest ways to screw up your business accounting and possibly run afoul of the IRS is to commingle personal and business funds and transactions . Using a business account for all business transactions eliminates that possibility.

Get a business account using your business name and EIN, and only use that account for all business related deposits, withdrawals, and transactions.

Pick a bank or credit union that is convenient. Check out your local credit unions; they often provide better deals than banks.

## **10. Set up a simple accounting spreadsheet.**

Worry about business accounting software like QuickBooks later. For now, just create a spreadsheet on which you can enter money you spend and money you receive.

Bookkeeping is simple, at least at first. All you need are revenue and expenses columns; you can add line items as you go.

Instead of spending hours playing with accounting software, dreaming up potential expense and income categories, and creating fancy reports with no data, spend that time generating revenue. As long as you record everything you do now, creating a more formal system later will be fairly easy. It will also be more fun, because then you'll have real data to enter.

And now you're an entrepreneur, with all the documents to prove it.