

# What To Do When Starting a New Business

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## Before Start-up

- Develop a business plan, including cash flow projections
- Choose management advisers—an accountant, an attorney, and a banker
- Choose an appropriate name for the business
- Using the business plan, establish a relationship with a banker. Possible bank services include:
  - ◇ Credit-card merchant account
  - ◇ Business checking account
  - ◇ Working capital loan
  - ◇ Equipment loan
  - ◇ Lock-box services
- Select the legal entity and year-end for the business
- Register the business name with local authorities if the business is a sole proprietorship
- Find a location for the business
- Negotiate a lease
- Design the layout of the facility
- Prepare all the necessary legal documents **as applicable**:
  - ◇ Partnership agreements
  - ◇ Articles of incorporation and first organizational minutes
  - ◇ Bylaws
  - ◇ Federal identification number (SS-4)
  - ◇ State and local license applications
  - ◇ Sales tax identification number
  - ◇ Industry-specific license
  - ◇ Register the business with the Secretary of State if incorporated or partnership
- Obtain quotes for and then order office furnishings and equipment
- Order office supplies
- Order business cards and business stationery
- Order an appropriate sign and indoor signage for the business
- Purchase adequate insurance **as applicable**:
  - ◇ Health
  - ◇ Malpractice
  - ◇ Liability
  - ◇ Workers' Compensation
  - ◇ Life
  - ◇ Fidelity bond
  - ◇ Computer and equipment
  - ◇ Umbrella
  - ◇ Employee dishonesty

\*This list may not be all-inclusive

To schedule a free, confidential one-on-one counseling session with an SBDC counselor call Southeastern Community College, Small Business Development Center at 319-208-5381.

## Start-Up

- Establish prices for your goods and services
- Promote the business's opening through:
  - ◊ Press releases to local and national media
  - ◊ Advertising
  - ◊ Direct-mail announcement
  - ◊ Chamber memberships
  - ◊ Promotional items such as pens or hats
  - ◊ Other
- Seek, interview and make offers to job candidates
- Select and implement a financial record-keeping system
  - ◊ Accounts payable
  - ◊ Account receivable
  - ◊ Inventory tracking
  - ◊ Order entry

## Ongoing Operations

- Develop personnel policies and procedures
- Prepare quarterly payroll returns and verify timely tax deposits
- Prepare quarterly or monthly financial statements
- Perform year-end tax planning, at least one month before the year-end
- Prepare annual federal, state and payroll returns
- Develop employee job descriptions
- Review existing insurance coverage at least once a year
- Prepare and maintain personnel files
- Establish a petty cash fund and policy
- Establish answering mechanism for after hours
- Join industry associations and groups
- Verify listing in the yellow pages of area phone directories
- Register trademarks

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