

START A BUSINESS

As a small business owner, you can take control of your circumstances while building a business to support yourself. Use this worksheet to help guide you through the process.

Part 1. Learn What it Takes to Start a Business

There is a lot that goes into starting a business, and it is worth taking a course before beginning this new venture. There are various programs and resources available to help you create a successful business. Some are directed toward individuals who were formerly incarcerated. Research your options before deciding on a program.

Use the space below to gather information on program options.

	Option 1	Option 2
Name of program		
Is the program in-person or online?		
What is required to apply?		
What is the cost, if any?		
What is the time commitment?		

Notes

Part 2. Create a Business Plan

Determine Your Business

If you do not already have a business idea in mind, consider your skills, interests, and experience. It is also important to determine if there is a demand for your product or service.

Example: Cam's Car Detailing

Questions	Example Answers
What skills do I need to succeed?	To be successful, I need to have good customer service, great people skills, and a strong attention for detail.
What resources do I need to begin?	Sponges, cloths, a bucket, car wash soap, a vacuum, wheel and tire cleaner, wax, and window cleaner. Plus, markers, poster board, and business cards. Lastly, a car to travel to my customers.
What is the certification or license requirement, if any?	There are no certification or license requirements for a mobile car detailing service.
Do I need a permit to run my business? You can contact City Hall to get this information.	There are no permit requirements for a mobile car detailing service.
Is there a need for this product or service? Who are my competitors?	Yes, there is a need for a car detailer in my area. My competitors are self-service car wash stations.
What product or service will I offer first? What are the growth opportunities down the road?	I am going to start with basic car washing and detail services. Down the road, I may offer car customization services, and eventually sell car-related items, such as air fresheners, car seat covers, wheel covers, etc.

Idea 1: _____

Questions	Answers
What skills do I need to succeed?	
What resources do I need to begin?	
What is the certification or license requirement, if any?	
Do I need a permit to run my business? You can contact City Hall to get this information.	
Is there a need for this product or service? Who are my competitors?	
What product or service will I offer first? What are the growth opportunities down the road?	

Idea 2: _____

Questions	Answers
What skills do I need to succeed?	
What resources do I need to begin?	
What is the certification or license requirement, if any?	
Do I need a permit to run my business? You can contact City Hall to get this information.	
Is there a need for this product or service? Who are my competitors?	
What product or service will I offer first? What are the growth opportunities down the road?	

Idea 3: _____

Questions	Answers
What skills do I need to succeed?	
What resources do I need to begin?	
What is the certification or license requirement, if any?	
Do I need a permit to run my business? You can contact City Hall to get this information.	
Is there a need for this product or service? Who are my competitors?	
What product or service will I offer first? What are the growth opportunities down the road?	

Create Goals

Having goals to work toward provides a way to measure your success. Goals should be SMART (specific, measurable, attainable, relevant, and time-bound).

An important goal to set for your business is a sales goal. For example, sell 100 units within your first month of business. If you think there are days that sales will be higher, such as weekends or holidays, set your goals accordingly. Introducing a new product within the first year or hiring a new employee are other examples.

Use the space below to identify three short-term and three long-term business goals.

Goal I will accomplish this action	By this date	I will take these steps	I will use these resources to help me
Short-term goal #1			
Short-term goal #2			
Short-term goal #3			
Long-term goal #1			
Long-term goal #2			
Long-term goal #3			

Startup Costs

There are startup costs associated with every business. Knowing how much money you need to start your business will impact what you charge customers, so you can earn a profit.

Consider all costs associated with running the business such as supplies, inventory, rent, utilities, insurance, business cards, payroll, and more. Depending on your business, you may not have all these costs immediately.

Example: Cam's Car Detailing

Expense	Estimated Monthly Cost
Equipment & Supplies Sponges, cloths, bucket, car soap, vacuum, wheel and tire cleaner, wax, window cleaner	\$125.00
Inventory Since I am providing a service, I do not need to purchase inventory.	\$0.00
Licenses & Permits	\$0.00
Marketing Materials Poster board, markers, business cards	\$20.00
Rent	\$0.00
Utilities	\$0.00
Shipping	\$0.00
Fuel I will be driving to my customers.	\$100.00
Insurance	\$0.00
Payroll	\$0.00
Miscellaneous	\$0.00
Total Estimated Monthly Cost	\$245.00

Now you try:

Expense	Estimated Monthly Cost
Equipment & Supplies	\$
Inventory	\$
Licenses & Permits	\$
Marketing Materials	\$
Rent	\$
Utilities	\$
Shipping	\$
Fuel	\$
Insurance	\$
Payroll	\$
Miscellaneous	\$
Total Estimated Monthly Cost	\$

Set Pricing

A first step in setting pricing is to research your competitors and find out how much they are charging for their services and products. Costs vary greatly depending on location. It is a good idea to have your prices fall somewhere in the middle between the cheapest and most expensive options.

Answer the questions below to determine your pricing.

Questions	Answers
Who is offering the cheapest price, and what is the price?	
Who is offering the most expensive price, and what is the price?	
What is your cost of materials per product or service? Using your estimated monthly costs, estimate how much will go towards each product or service, plus add an hourly salary on top of it.	
How much time will it take you to make each product or deliver each service? Think in terms of hourly increments.	
Based on the info above, what is your price per product or service?	

Project Business Revenue

It is important that your business is profitable to support yourself. By projecting your business revenue, you can determine if your business can bring in enough money to surpass the break-even point, and what to adjust if it does not.

Use the calculations below to project your monthly business revenue.

Calculations	Totals
Estimate monthly revenue: How many products/services do you expect to sell per month? Multiply this number by the price per product/service to get your estimated monthly revenue.	\$
Estimate monthly expenses: How much money will you need per month to operate your business? Refer to the Startup Costs chart you completed on page 6.	\$
Calculate monthly profit: Subtract your estimated expenses from your estimated revenue to find your estimated monthly profit.	\$

To estimate your yearly profit, you can multiply your monthly number by 12 if you think each month will be the same. If there are months where you think business will be better or worse, calculate each month and then add up the 12 months.

Business Finances

It is best practice to keep your business expenses separate from your personal expenses. You can do this by opening a separate bank account or credit card. This will make accounting and tax filing easier at the end of the year.


- When applying for a business credit card, submit your company information and apply in the company's name
- Keep a separate record of business expenses to more easily identify and claim operating expenses on your tax return

Notes

Part 3. Find Funding

Depending on the type of business and how much money you have already, your need for funding will vary.

- Grants are provided by the government and charitable foundations to fund new ideas and projects. Search for grants on [Grants.gov](https://www.grants.gov). Some companies offer grant contests as well, such as [FedEx](https://www.fedex.com) and [Incfile](https://www.incfile.com).
- Loans allow you to borrow sums of money with the agreement you will pay it back with interest. Different loans have different requirements, such as credit score or income.
- Crowdfunding is a donation-based form of raising money. Platforms that simplify crowdfunding include [IndieGoGo](https://www.indiegogo.com), [Kickstarter](https://www.kickstarter.com), and [GoFundMe](https://www.gofundme.com).

 TIP: Conduct a free credit inquiry on [Credit Karma](https://www.creditkarma.com) before applying for a loan. Applying for multiple loans at one time can hurt your credit score, so apply for one or two at a time.

Compile a list of potential grants and loans and the application status below.

Grant/Loan Name	Applied? (Y/N)	Dollar Amount	Status

Notes

Part 4. Business Registration + Insurance

Before operating your business, find out if you will need to register the business. It may be helpful to seek advice from someone with an understanding of this process.

Sole Proprietorship

A sole proprietor does not have to formally register their business. Being a sole proprietor means you are self-employed, and all business liabilities are your responsibility as the owner.

Doing Business As (DBA)

A DBA is a fictitious name that you operate your business under. As the sole proprietor, your legal business name defaults to your name unless you file for a DBA. Filing for a DBA gives some separation between you and the business. If the name you want to use is trademarked, you will not be able to use it. The [United States Patent and Trademark Office \(USPTO\)](#) has a database you can search to see if the name is available.

Brainstorm Business Names

Limited Liability Company (LLC)

An LLC is a type of business owned by one or more individuals and is legally seen as a separate entity from its owners. It may be easier to raise money as an LLC than as a sole proprietor. To be an LLC, you will need to register with the state where you conduct your business. LLC registration can cost up to \$300. Contact your state Business Bureau, Secretary of State, or Business Agency to find out the requirements and costs.

Corporation

A corporation is similar to an LLC, but it is owned by shareholders. A corporation provides a lot of legal protection to its owners from personal liability; however, operating a corporation requires extensive record-keeping and reporting.

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Insurance

Most small businesses are required to have general liability insurance. This type of insurance protects against common customer or client incidents, including personal injury or property damage. Once you start to hire employees, you will be required to purchase worker's compensation insurance to protect against any on the job injuries or illnesses.

Insurance Type	Type of Business	Coverage
General liability insurance	Any business	Protects against financial loss as the result of bodily injury, property damage, medical expenses, libel, slander, defending lawsuits, and settlement bonds or judgments
Product liability insurance	Businesses that manufacture, wholesale, distribute, and retail a product	Protects against financial loss as a result of a defective product that causes injury or bodily harm
Professional liability insurance	Businesses that provide services to customers	Protects against financial loss as a result of malpractice, errors, and negligence
Commercial property insurance	Businesses with a significant amount of property and physical assets	Protects your business against loss and damage of company property due to a wide variety of events such as fire, smoke, wind and hail storms, civil disobedience and vandalism
Home-based business insurance	Businesses that are run out of the owner's personal home	Added to homeowner's insurance as a rider to offer protection for a small amount of business equipment and liability coverage for third-party injuries
Business owner's policy	Most small businesses, especially home-based businesses	An insurance package that combines all of the typical coverage options into one bundle to simplify the insurance buying process and save money

Source: [sba.gov](#)

Answer the questions below to determine your insurance needs.

Questions	Answers
Based on your business and state requirements, what type of insurance(s) will you need?	
What companies offer this type of insurance?	
What is the annual cost for each?	

Part 5. Market Your Business

Once you are ready to start selling your product or service, there are several ways to promote your business. There are a few essential items you need to finalize before you start advertising.

Branding

Answer the questions below.

Questions	Answers
What is your business name?	
Do you have a logo?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Do you have a phone number set up?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Do you have a business email set up?	<input type="checkbox"/> Yes <input type="checkbox"/> No


Need help creating an email account? Visit our [Get Started page](#).

Social Media

Social media is a useful and free way to promote your products and services.

Use the checklist below to set up a social media presence.

Choose a username that is relevant to your business

 **TIP:** If your preferred username is not available, you can add periods or underscores to break up words. For example, if the handle @camscarwash was unavailable, I could try @cams_carwash.

Username Ideas	

- Create a business account rather than a personal account (if available)
- Include location and contact information
- Post good photos of your products/services
- Post prices

Printed Material

[Canva](#) is a free resource to design printed materials, or you can simply use poster board and a marker. If you do not have access to a printer, use a local printer, such as [Office Depot](#) or [Staples](#).

Posters/Flyers

Local restaurants or coffee shops may have a community board where you can hang flyers or leave business cards.

- Include contact information
- Include location, website URL, or whether you are a mobile business that comes out to the customers
- Briefly describe products or services offered

Business Cards

Business cards are easy to hand out. There are many websites to print business cards at an affordable price, such as [GotPrint](#).

- Include contact information
- Include hours of availability (if applicable)
- Briefly describe services or products offered

Example: Cam's Car Detailing



Advertise with Local Businesses

Oftentimes, local businesses are happy to help other small businesses when they can. If your products or services are related, there may be an opportunity to collaborate. Get creative with this. You can host giveaways together to grow both businesses, participate in or host community events, and display each other's flyers.

Example: I am going to ask the local auto mechanic if he will leave my business cards in his office and refer customers to me. I will also talk to local coffee shops to see if they can post my flyers.

Answer the questions below to determine possible places to advertise.

Questions	Answers
Where does your target customer like to spend time?	
Is there space there to advertise?	
Are there businesses directly or indirectly related to yours?	
Is there potential for a partnership with another small business in your area?	

Notes

Customer Service

Quality customer service is the key to retaining customers. Happy customers become repeat customers and can even help you grow your business through word-of-mouth. Here are some examples of ways to provide excellent customer service.

- Referral program (reward customers for referring others)
- Customer appreciation days (offer a special rate on certain days)
- Loyalty program (reward individuals for being repeat customers)
- Never let a customer leave unhappy (resolve issues quickly and remain calm)
- Add extra touches, such as a thank you note

Example: For Cam's Car Wash, I am going to include an air freshener with every car wash, and establish a loyalty program. I will give a 15% discount for every fifth car wash a person purchases at regular price.

Notes
