

STARTING A BUSINESS CHECKLIST

Starting a business is risky. Understanding the risks and reducing them through careful planning improves the chances for business success. You should be fully aware of the implications of owning your own business. A new business venture will affect both you and your family. Carefully analyze your reasons for starting a business. How will it fit with your family and your lifestyle?

ASK YOURSELF THE FOLLOWING QUESTIONS:

- Am I a self-starter? Do I have the discipline to maintain a schedule?
- Do I want to earn more money? Will this business earn more money from the beginning or do I need to be prepared to initially work for less?
- Do I want to be more creative? Do I have the necessary skills to be successful in this business?
- Am I looking for more flexibility in my work and family schedule? Will this business allow me to work the schedule I desire?



- Am I ready for different challenges and adventures? Am I prepared to respond quickly to the needs of my business?

- Have I discussed this proposed business with my family?

- Do I have the money needed for business start-up and initial operating expenses until I start earning a profit?

- Decide upon the legal structure of your business, choose a business name and register your business with the appropriate city, state and/or federal agencies. Sole proprietors, general partnerships, and unincorporated non-profit associations register with the Colorado Department of Revenue. All other forms of legal structure file with the Colorado Secretary of State. Refer to the Legal Structure and Registration chapter of this Guide.

- If your business will have employees, you must open federal, state and local wage withholding and payroll tax accounts. File Form CR100 with the Colorado Department of Revenue. File Form SS-4, Application for Employer Identification Number, with the Internal Revenue Service, by mail, fax or Tele-tin. Obtain workers' compensation insurance from a private insurance carrier, an independent insurance agent or Pinnacol Assurance. Refer to the Employer Responsibilities chapter of this Guide.

- If your business will be selling, renting or leasing tangible personal property, you must obtain the proper state sales tax license from the Department of Revenue and determine if a separate local sales tax license is also required. Sales tax licenses are also required if you rent accommodations for less than 30 days. Refer to the Colorado Sales Tax chapter of this Guide. Starting a business is risky. Understanding the risks and reducing them through careful planning improves

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- Be aware of the personal and business tax implications of starting your own business. Refer to the Income and Property Tax chapter of this Guide and/or contact the Internal Revenue Service at 1-800-829-1040 or www.irs.gov for more information.

- Define the products or services you will provide. Is there actually a need for what you will provide in today's marketplace? Is the demand great enough to be profitable? Who are your competitors? What is your competitive advantage? Develop your marketing strategy. Refer to the Marketing chapter of this Guide.

- Are there any special licenses required for the business you are starting? If you need industry specific information, call the SBDC Small Business Hotline at (303) 592-5920. The BAC has comprehensive information on federal, state and local business licensing requirements.

- Find the best location for your business. The Colorado Department of Transportation, 4201 E. Arkansas Ave., West Annex, Room A-100, Denver, CO 80222, (303) 757-9488 or www.dot.state.co.us has information on traffic patterns on state highways. Some local governments have information on city and county roads. They may also have information on local population demographics. The U.S. Census Bureau, (303) 264-0220, and Colorado State Data

The best advice for anyone starting or operating a business is to **EDUCATE YOURSELF**. This Guide is only a first step. It outlines the basic information you need to start your business. The following checklist can be used as a guide as you start your business.

Center, (303) 866-4147, are also useful resources for population demographics. Be sure to observe pedestrian movement during business hours to estimate walk-in potential.

✓ Check with the city and county government authorities regarding any special business regulations, sales taxes, personal property taxes and zoning restrictions affecting your business for every location where you conduct business.

✓ Seek management advice and counseling. Assemble your team of professional advisors, i.e., accountant, attorney, insurance broker, real estate agent, etc. Your local Small Business Development Center, SCORE chapter, the Small Business Administration, trade associations and your local chamber of commerce are good resources. Refer to the Choosing Advisors and the Sources of Assistance chapters of this Guide.

✓ Develop a sound business plan with specific goals and objectives. A business plan should outline your background including your strengths and weaknesses. Evaluate where you are today and develop a plan to achieve your goals. Refer to the Business Plan chapter of this Guide.

✓ Develop a financial plan, including profit and loss projections, cash flow analysis

and capital requirements. Determine the proper pricing strategy for your product or service. Do you have enough resources to adequately support your business and yourself until you begin making a profit? What type of financing will your business need? What financing options are realistic for your situation? Refer to the Business Plan and the Financing Options chapters of this Guide.

✓ Identify your liability risks. Obtain adequate insurance coverage. Protect your business activities far enough in advance to cover your growth. Refer to the Liabilities and Insurance chapter of this Guide.

✓ Protect your ideas, products, symbols and logos through proper registration and maintenance. Refer to the Trademarks, Copyrights and Patents chapter of this Guide.

THINK YOU HAVE TO SPEND A LOT ON TECHNOLOGY? THINK AGAIN.

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