

Starting a Business Checklist

DECIDING ON A BUSINESS (Session 1)

- Have you considered starting part-time and keeping your current job?
- Have you objectively compared your intended business with other possible opportunities?
- Have you prepared a "for" and "against" list to clarify your thinking?
- Have you worked for someone else in your intended industry/business?
- Is your intended business something you will enjoy doing?
- Have you test marketed your product or service?
- Have you reviewed the advantages and disadvantages of starting with a partner?
- Are you focused on a specialized product or service?
- Have you considered operating as a family business?
- Have you talked to the most successful people in your intended business?

THE BUSINESS PLAN (Session 2)

- Have you completed all the sections of your business plan?
- Did you personally prepare your business plan?
- Did you use the My Own Business Institute (MOBI) template for your business plan?
- Does your business plan include one-year goals?
- Have you submitted your plan for review to appropriate experts?
- Are you prepared to change your plan frequently as conditions change?
- Does your business plan include a one-year cash flow projection?

HOME-BASED AND FREELANCE BUSINESSES (Session 3)

- Have you completed the home-based business readiness template?
- Have you selected a business that does not conflict with your current job?
- Do you understand accounting and cash flow?
- Are you able to delegate some of your business responsibilities to employees, partners, or family?
- Have you set a limit on how much money you can risk?
- Do you have a disciplined and balanced lifestyle?
- Do you have the space at home your business will require?
- Have you checked local laws and licensing requirements for home-based businesses?

FINANCING THE BUSINESS (Session 4)

- Are you saving money to start your business?
- Are you willing to start small to minimize the capital required?
- Are you prepared to invest the equity of your own labor?
- Do you have financing in place to support your cash flow needs?
- Do you understand the differences between loan (debt) vs. investment (equity) sources of capital and the financial and legal obligations of each?
- Have you investigated the small business government loan guarantee programs?
- Have you considered using suppliers as sources of financing?
- Have you considered bartering as a source of financing?
- Have you asked your accountant and attorney for lending references?
- Are you prepared to live frugally to keep your living costs at a minimum?
- Does your one-year projection show sufficient cash flow at the end of each month?

BUSINESS ORGANIZATION (Session 5)

- Have you considered the pros and cons of a partner?
- Have you made a list of your new business's liabilities?
- Did you consider how timing factors into liability?
- Have you selected a business organization that is right for you?
- Did you complete each of the "Steps You Should Take to Organize Your Business"?
- Have you selected professionals, especially a lawyer and an accountant, to help you?
- Did you complete all the paperwork to organize your business?

LICENSES AND PERMITS (Session 6)

- Are you keeping notes, including the names of participants and dates, for all your meetings?
- Is your location approved for the type of business you intend to operate?
- Is it legal to use your home for a home-based or freelance business?
- Do you have all the certifications and licenses required by the government for your type of business?
- Do you have the special training, education, or equipment required by the government for your intended business?
- Do you have a "Seller's Permit," if needed?
- Do you have an Employer Identification Number (EIN)?
- Do you have your business license?
- Do you know how to collect sales tax or value-added tax (VAT) on your transactions?

- Have you researched your business name to make sure it is available?
- Is the name you selected appropriate for the business, easy to remember, easy to spell, and does it create a visual image?
- Have you registered your name with the appropriate government agencies?
- Have you registered your business name as a trademark?
- Have you secured copyright and patents for your goods and services as needed?
- Do you have a logo?
- Have you created stationery, business cards, and business forms?

BUSINESS INSURANCE (Session 7)

- Have you selected an insurance agent who understands business insurance?
- Did you review your risks with your attorney, your accountant, and your insurance agent?
- Have you picked the insurance policies that you need and the limits (amounts) of coverage?
- Which of the following policies does your business need?
 - Business property insurance
 - Business liability insurance
 - Worker's compensation insurance
 - Excess liability coverage
 - Employment practices liability insurance
 - Life insurance
- Did you include insurance premiums in your cash flow projections?

COMMUNICATION TOOLS (Session 8)

- Do you understand the difference between internal and external communication?
- Have you selected the types of communication tools that will be important in your business?
- Have you printed business cards, flyers, and other materials for customers?
- What email provider will you use?
- What type of telephone communication with you use? Landlines? Cell phones? Internet calling?
- Is video or web conferencing important for your business?
- What kind of online collaboration and productivity tools will you use?
- Do you have a plan for learning about computers and collaboration tools?
- Will you use social media to promote your business to customers?
- Will you need a website? Will you build it yourself or hire a web designer?
- Did you include subscriptions for communication tools in your financial planning?

BUYING A BUSINESS OR FRANCHISE (Session 9)

- Will your business provide full- or part-time employment for you?
- Is the business a good fit for your skills and preferences?
- Have you investigated the industry thoroughly?
- Have your lawyer and accountant advised you on all aspects of the transaction, including approval of purchase agreement and leases?
- Have you evaluated the quality and size of the inventory?
- Are the payables verified and current?
- Are the receivables current and collectible?
- Is there an order backlog?
- Will the seller help finance the purchase of the business?
- How strong are customer relationships?
- Is the primary marketplace stable or changing?
- Does the business have all necessary government approvals and licenses?
- Is the seller motivated? Do you know why?

If you are considering a franchise, here are additional checklist items:

- Have you talked to other franchisees about the business?
- Have you reviewed the profit and loss records of some selected franchisees?
- Do you have the financial statement of the franchisor?
- Are there outstanding lawsuits against the franchisor?
- Is it a business you will enjoy operating?
- Does the proposed location meet your site criteria for the business?
- Is the franchisor well established?
- Does the franchisor have a significant number of successful franchisees?
- How many franchises have been sold *and opened*?

CHOOSING A BUSINESS LOCATION (Session 10)

- Have you determined the kind of space you need for your new business?
- Are you taking your time in reviewing all your options?
- Where will you get information on available space?
- Have you decided whether to buy or rent?
- Do you understand the terms in a commercial business lease?
- Are all your agreements in writing?
- Have you evaluated potential sites with the “Site Criteria Table”?
- Has your lawyer reviewed the lease or purchase agreement?

ACCOUNTING AND CASH FLOW (Session 11)

- Do you understand accounting and cash flow and how to keep score in business?
- Do you know the difference between a balance sheet, a profit and loss statement, and a cash flow statement?
- Do you have an accountant?
- Is your accounting software in place?
- Are you prepared to reconcile your bank account every month?
- Have you projected your cash flow for three months and for one year?
- Will you be updating cash flow every month?
- Are you planning to keep your own records when you start out?
- Have you set up an account with a service provider to handle payroll and benefits?
- Will you personally be signing all the business checks?
- Have you set up a separate business account at your bank?
- Do you know your tax liability?
- Have you established a good relationship with your banker?
- Is your business credit policy in place?
- Will you be matching up invoices with purchase orders?
- Do you have safeguards against employee dishonesty in place?

E-COMMERCE (Session 12)

- Is E-commerce right for your business?
- Which E-commerce segment is appropriate for your business?
- Do you have a trusted way to process financial transactions online?
- Is your domain name registered and the website online?
- Are you building your website or are you using a professional website developer?
- Is your home page designed to represent your business and brand? Is it easy to navigate?
- Do you have a plan for marketing online using email, social media, or other tools?
- Do you have all necessary E-commerce tools in place?
- Is your website fully tested and ready to sell online?

OPENING AND MARKETING (Session 13)

- Do you have a plan for promoting sales and marketing of your product or service?
- Have you reviewed the most common mistakes made when opening a business?
- Do you understand the basics of buying materials and carrying inventory in your business?
- Are all licenses, permits, and the certificate of occupancy secured?
- Is your merchandise displayed attractively?
- Is the advertising and promotional material scheduled?
- Have you started developing an email, text, and/or mail database?
- Do you know how and where your successful competitors advertise and market their products or services?
- Have you joined the trade association of your industry?

- Are you focused on selling a great product or service at a fair price?

MANAGING EMPLOYEES (Session 14)

- Do you understand the difference between employees and independent contractors?
- Have you retained a payroll service provider or a professional employer organization?
- Do you have job descriptions and an employee handbook written up?
- Do you have a plan for attracting and interviewing applicants?
- Are you familiar with the laws associated with employees and the workplace?
- Do you have a plan for training your employees?
- Do you have a plan for retaining your best employees?
- Do you have a plan for discharging poor employees?
- Do you have a good way to communicate with your employees?

EXPANDING AND HANDLING PROBLEMS (Session 15)

- Do you have a detailed plan for expanding your business?
- Are you starting with a pilot operation first?
- Have you created an advisory board to help you avoid mistakes?
- Are you prepared to prove your business concept before expanding?
- Do you have a plan for the delegation of authority and responsibility to managers?
- Have you created separate profit centers for each expansion unit?
- Do you understand the key elements for creating successful profit centers?
- Do you understand the common problems of businesses that expand, like uncontrolled cash flow and new competition?
- What are the rules for handling serious business problems? Will you follow those rules?
- Are you enjoying the adventure of growing your own business, creating new jobs, and leaving a legacy of success?