

## Business Start-Up Guide

Starting a business? Here are 16 steps that you can follow to vastly improve your chances of success and avoid many of the usual and customary "set-backs" as your business is getting off the ground.

### STEP 1

---

#### PRELIMINARY BUSINESS ABSTRACT

Prepare this short, concise document as an overall foundation to work from. Include a statement concerning the proposed scope and nature of the business and its products and services, the basic objectives of the business, and the history and/or rationale that led to the formation of the business. The purpose of this step is to get "focused."

### STEP 2

---

#### LEGAL ORGANIZATION AND REVIEW

The purpose of this step is to formally organize your company as a proprietorship, partnership or corporation. Formal organizational and registration forms should be prepared and filed; including trademark and/or service mark registrations, tax ID number applications, d/b/a certificates, in addition to the formal filings of the entity on a state and local basis (as applicable).

### STEP 3

---

#### PRINT PACKAGE DESIGN

It is important that your company grows with an appropriate, professional and cohesive print image. At the very least, adopt a logo design and prepare beginning letterheads, envelopes, and business cards for initial communications, correspondence and contacts. If you do not yet have a formal business location, establish a PO Box to get started.

### STEP 4

---

#### FINANCIAL STRUCTURE

Address and resolve these basic concerns:

- Does your company need financing?
- If so, how will you obtain the financing?
- Are you certain that your company will generate adequate profits?

### STEP 5

---

#### OUTSIDE SERVICES

The professional community that you surround yourself with will go a long way toward your future success or failure. Within a financial framework that you can afford, determine who will be your company's attorney, accountant, insurance agent, vendors, suppliers, contractors, etc. Look toward establishing long-term relationships with these people.

STEP 6  
MARKETING PLAN

---

Determine and document the following:

- a detailed description of your company's products and/or services
- the market
- customer profiles
- the rationale, formula, and/or methods of pricing
- the distribution plan, sales, and delivery procedures; and
- a strategy for advertising and promotion

STEP 7  
CASH FLOW PROJECTION

---

At this point in development, there should be enough information to construct a meaningful cash flow projection for the next 12 months. This is one of the most critical aspects of getting your business off the ground.

STEP 8  
BUDGETS

---

The budgets that emerge from the cash flow projections are the guidelines that will permit your company to operate in an environment with ongoing attention being paid to profitability. These budgets will constantly change, but they must be implemented to establish financial control.

STEP 9  
ORGANIZATIONAL CHART

---

A good organizational chart adds a sense of stability to a growing organization by clearly delineating a chain of command and a basis for delegation. An organization without an organizational chart is usually plagued with unnecessary personnel problems.

STEP 10  
JOB DESCRIPTION

---

Your company's productivity, efficiency, and profitability will be greatly enhanced by the clear-cut direction offered by job descriptions. Properly developed and well thought, job descriptions will clearly define the scope of responsibility and authority within a given position; as well as support the organizational chart.

STEP 11  
ACCOUNTING SYSTEM

---

The design and implementation of an adequate accounting system is one of the most crucial building blocks for a new firm. As soon as possible, design a chart of accounts that is tailor-fit to your firm (your accountant can help). This is not only for the purpose of tax return preparation but, more important, to provide you with a foundation to obtain meaningful financial reports for internal management use.

---

## STEP 12 BREAK EVEN ANALYSIS

The purpose of this step is to merge all available information about future fixed and variable costs with production and sales information to determine the break-even point. Break-even analysis provides a valuable insight to decisions regarding debt structure and other operational considerations.

---

## STEP 13 FINANCIAL MANAGEMENT

This step addresses itself to the actual systems and procedures for processing receipts, controlling accounts receivable, controlling accounts payable, banking procedures, disbursement procedures, and other financial management items. Set up these procedures so that they become routine on a daily basis.

---

## STEP 14 OPERATIONAL FLOW CHARTS

Flow charting a procedure provides a means for analysis, identification of bottlenecks, factors which affect profitability. At least the most critical operations of your firm should be flow charted initially.

---

## STEP 15 PERSONNEL MANUAL

In any business, the most important resource is its people; whether your company will have just a few employees, or many. Well-thought personnel policies and procedures are the keys to minimizing personnel problems and turnover while enhancing productivity and profitability.

---

## STEP 16 TAX REVIEW

Tax planning is an activity which most new businesses don't consider until it is too late. No matter how your business is structured, you are in business with the government as a "partner." Get off on the right foot with the local and state departments as well as the Internal Revenue Service.

Hopefully, this guide will contribute to the successful start-up of your business. Starting your business does not have to be as expensive, time-consuming, or overwhelming as you might think. If you are looking for help with respect to the startup of your business, please don't hesitate to contact:

**Edward H. Smith, Business Consultant**

497 Hooksett Road, #395, Manchester, NH 03104  
Cell Phone: (603) 867-1022 Fax: (603) 218-6624  
Email: ehsportal@gmail.com Website: www.ehsportal.com