
THE SIMMONS LEGAL NEWS

Volume 8 Issue 2

www.shawndricasimmons.com

May 2013

The ABC's of Starting a Business

(Courtesy of www.sba.gov)

A. Ask yourself is entrepreneurship for you? Consider whether you have the following characteristics and skills commonly associated with successful entrepreneurs:

1. Comfortable with taking risks
2. Independent Decision Maker
3. Persuasive/Customer Services/Salesperson
4. Able to negotiate.
5. Creative with new ideas
6. Supported by others

B. So you think you have what it takes to start a business, now ask yourself 20 questions.

1. Why am I starting a business?
2. What kind of business do I want?
3. Who is my ideal customer?
4. What products or services will my business provide?
5. Am I prepared to spend the time and money needed to get my business started?
6. What differentiates my business idea and the products or services I will provide from others in the market?
7. Where will my business be located?
8. How many employees will I need?
9. What types of suppliers do I need?
10. How much money do I need to get started?
11. Will I need to get a loan?
12. How soon will it take before my products or services are available?
13. How long do I have until I start making a profit?
14. Who is my competition?
15. How will I price my product compared to my competition?
16. How will I set up the legal structure of my business?
17. What taxes do I need to pay?
18. What kind of insurance do I need?
19. How will I manage my business?
20. How will I advertise my business?

C. So you answered those 20 questions and you still want to start a business. Here are 10 basic steps to starting a business.

1. Write a business plan
2. Get business assistance and training
3. Choose a business location
4. Finance your business
5. Determine the legal structure of your business

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6. Register a business name (DBA= Doing Business As)
7. Get a tax identification number
8. Register for state and local taxes
9. Obtain business licenses and permits
10. Understand employer responsibilities

D. So you followed the 10 steps, now you need to look for startup resources and available programs that you may qualify for.

1. [Environmentally-Friendly "Green" Business](#)
2. [Home-Based Business](#)
3. [Online Business](#)
4. [Self Employment](#)
5. [Minority Owned Business](#)
6. [Veteran Owned Business](#)
7. [Woman Owned Business](#)
8. Government Surplus

E. So you still want to start a business, well you need to know your market.

- a. To run a successful business, you need to learn about your customers, your competitors and your industry. Market research is the process of analyzing data to help you understand which products and services are in demand, and how to be competitive. Market research can also provide valuable insight to help you:
 - i. Reduce business risks
 - ii. Spot current and upcoming problems in your industry
 - iii. Identify sales opportunities
- b. Identify Official Government Sources of Market and Industry Data
 - i. [Economic Indicators](#)
 - ii. [Employment Statistics](#)
 - iii. [Income and Earnings](#)
- c. Identify Additional Sources of Analysis
 - i. Trade groups, business magazines, academic institutions and other third parties gather and analyze research data about business trends. Use Internet and database searches to find information related to your location and industry.
- d. Understand the International Marketplace
 - i. Today's economy is a globalized marketplace, so it's important to understand the international factors that influence your business. These resources will help you to research potential international markets for your products or services:

F. Michigan now has a one stop business center via the web that is user friendly. You can find it at: <http://www.michigan.gov/business> .