

A SIMPLE INTRODUCTION TO

Starting a Small Business

How to successfully plan and launch your small business.



BUY IN **INVEST**
GREENE **GREENE**

A Greene County Economic Development Publication
[InvestInGreene.com](https://www.investingreene.com)

Table of Contents

INTRODUCTION

CHAPTER 1 - Planning

CHAPTER 2 - Choosing a Business Structure

CHAPTER 3 - Licenses & Regulations

CHAPTER 4 - Finance Your Business

CHAPTER 5 - Explore Loans, Grants & Funding

CONCLUSION



InvestInGreene.com

INTRODUCTION

Is Entrepreneurship For You?



INTRODUCTION

Are You Naturally Entrepreneurial?

Starting a new small business is an exciting undertaking with numerous risks and rewards. You get to be your own boss, create your own schedule, and engage in work that you truly enjoy. But you also have to commit long hours, deal with unforeseen setbacks and mitigate unexpected hurdles. Succeeding at a small business ownership requires persistence, ingenuity and intense strategizing.

Here are a few character traits that are commonly associated with successful entrepreneurs:

- **Risk-Taking:** Entrepreneurial ventures are defined by uncertainty and risk. If you are the kind of person who avoids risk at all cost, then entrepreneurship may not be the best fit for you. However, if you love to leap into the unknown, taking calculated risks if necessary, then you have a true entrepreneurial spirit.
- **Independence:** Being your own boss means making all the necessary decisions independently, and without concern for the approval of others. You will need to trust your own inner compass, despite all else, and remain decisive and focused under pressure.



There are distinct character traits associated with small business owner success, including the ability to accept support from a wider community.

- **Persuasiveness:** As an entrepreneur, you will benefit greatly from the powers of persuasion. Brilliant ideas are useless until you can get your customers, employees and potential lenders or partners on board with your vision. Learning to create a well-crafted argument based on current research will serve you well.
- **Negotiators:** Negotiation is the name of the small business game, so you can expect to negotiate everything from property leases to contract terms to job rates. Polished negotiation skills will help you meet your bottom line and keep your business running smoothly.
- **Creative:** Can you think outside the box? Are you able to brainstorm a solution to almost any dilemma? Successful entrepreneurs think in original and creative ways, approaching problems with a willing, curious and playful mind.
- **Supported:** Strong community support and mentorship from seasoned business owners are critical for the long-term success of your new business. There is no greater educator than experience itself, and your support system will provide an invaluable reserve of information gleaned from long-term experience.

CHAPTER 1

Planning



The Business Plan

A Roadmap for Success

A business plan is a guide or roadmap of your business that outlines your goals and describes the steps required to achieve them. According to Entrepreneur.com, it is simply “a written description of your business’s future.”

A well-drafted business plan includes the following:

- **Executive Summary** - Overview, including company profile & goals.
- **Company Description** - What differentiates you from competitors.
- **Market Analysis** - Market research & competitor research.
- **Organization & Management** - Business structure.
- **Service or Product Line** - Your product or service and its lifecycle.
- **Marketing & Sales** - Sales & marketing strategies.
- **Funding Request** - Information required for a funding request.
- **Financial Projections** - Financial projections to back up request.
- **Appendix** - Resumes, credit history, permits, leases, etc.



Envisioning your business in 3-5 years allows you to anticipate financial projections and make funding requests if necessary.

If you are just starting a business, you won't have as much information as an established company. Instead, focus on your experience and background as well as the decisions that led you to start this particular enterprise.

Demonstrate your market research thoroughly. In your market analysis, include information about a need or gap in your target market, and how your particular solutions can fill it. Convince the reader that you can succeed in your target market, and then address your future plans.

“Ask yourself: Beyond basic products or services, what are you really selling?”

- U. S. Small Business Administration

CHAPTER 2

Choosing a Business Structure



A Business Structure

How Will Your Business Operate?

Sole proprietorship or Limited Liability Company? Cooperative or corporation? The business structure you choose will have legal and tax implications. Listed below are the basic types of business structures and their differences:

- **Sole Proprietorship** - You alone own the company and are responsible for its assets and liabilities.
- **Limited Liability Company** - An LLC is designed to provide the limited liability features of a corporation and the tax efficiencies and operational flexibility of a partnership.
- **Cooperative** - People form cooperatives to meet a collective need or to provide a service that benefits all member-owners.
- **Corporation** - A corporation is more complex and generally suggested for larger, established companies with multiple employees.
- **Partnership** - There are several different types of partnerships, which depend on the nature of the arrangement and partner responsibility for the business.
- **S Corporation** - An S Corporation is similar to a C corporation but you are taxed only on the personal level.

A sole proprietorship is the simplest and most common structure chosen to start a business. It is an unincorporated business owned and run by one individual with no distinction between the business and you, the owner. You are entitled to all profits and are responsible for all your business's debts, losses and liabilities.

You do not have to take any formal action to form a sole proprietorship. As long as you are the only owner, this status automatically comes from your business activities. In fact, you may already own one without knowing it. If you are a freelance writer, for example, you are a sole proprietor.

When determining a business structure, it is best to talk to your accountant or attorney. If you don't have a trusted accountant or attorney, ask your local Chamber of Commerce for a referral.



There are advantages and benefits to each business structure. Determining your business size, goals and needs will naturally help you determine the best structure.

CHAPTER 3

Licenses & Regulations



Licenses & Permits

Making it Official

Before launching your new business, you must make it official. There are certain federal and state licenses and permits you may need to obtain in order to legally operate your new business.

Examples of businesses requiring licenses are: restaurants, motor vehicle repair shops, beauty salons and barber shops, food establishments, and child day care centers.

Not sure which permits or licenses your business will need to legally operate? Start with the U. S. Small Business Administration's helpful overview by visiting www.sba.gov/business-guide/launch-your-business/apply-licenses-permits.



You may need to learn the basics legal rules when it comes to advertising, hiring, online operation, privacy laws, environmental regulations & more.

Laws & Regulations

Legal Requirements

Even as a small business owner, you are subject to some of the laws and regulations that apply to large corporations. You will need to understand legal issues that may arise during the course of conducting business, and which resources are available to help you navigate legal concerns. Laws vary greatly from industry to industry, but can include:

- **Employment & Labor Laws** - Federal & state laws that apply to your workforce. More info @ www.dol.gov/general/aboutdol/majorlaws
- **Advertising & Marketing Law** - Laws that pertain to advertising, labeling and marketing. More info @ www.ftc.gov/business-guidance/advertising-marketing/advertising-marketing-basics
- **Workplace Safety & Health Law**
More info @ www.osha.gov/smallbusiness
- **Privacy Law** - Requirements for protecting sensitive consumer and employee information. More info @ www.ftc.gov/business-guidance/privacy-security

For New York residents, visit the N.Y. Business Express Business Wizard at businessexpress.ny.gov/app/bw/startnewbusiness to determine guidelines for compliance in New York State.

CHAPTER 4

Finance Your Business



Finance Your Business

Creating a Good Foundation

Improve your odds of business success by understanding your financing needs as well as the options that are available to help you start, manage and grow your business.

Small business operation is purely a numbers game. Do you have enough seed money to open your business? Is there enough cash left in the bank to maintain ongoing business costs? Are you in need of a business loan or grant to help you get started? What are your projected startup costs? How much will your business have to gross to break even? Have you factored in the cost of hiring employees and leasing a retail space? Or, for online businesses, have you factored in the cost of designing an ecommerce website and developing a healthy marketing plan?

Not sure how much startup money your new business will need? Try using this helpful startup cost calculator to crunch the numbers: www.sba.gov/business-guide/plan-your-business/calculate-your-startup-costs.



The blueprint of any successful business starts and ends with the numbers. Create & maintain an excellent financial plan, and you are well on your way to success.

Here is a list of items you will need to consider when mapping out your business financial plan, along with a brief description of each item:

- **Estimating Startup Costs**
Seed money, one-time costs & ongoing costs, as well as fixed & variable expenses.
- **Using Personal Finances**
Healthy personal finances will positively affect your business finances.
- **Preparing Financial Statements**
You will need to prepare important financial documents, such as balance sheets and income statements.
- **Developing a Cash Flow Analysis**
Cash flow is critical at every part of the business cycle from startup to expansion.
- **Breakeven Analysis**
It is important to understand when your company will break even and when it will begin to make a profit.
- **Borrowing Money for Your Business**
Before seeking out financial assistance for your business, you have to have concrete numbers in mind and an explanation as to the precise function of these funds.

CHAPTER 5

Explore Loans, Grants & Funding



Loans, Grants & Funding

A Variety of Options

Small business loans, grants and other financial assistance are available in every community, and it is highly recommended that you take advantage of these resources to help get your business off the ground.

For instance, in Greene County, NY there are two economic development loan programs for job-creating business expansion projects: the [Quantum Fund](#) and the [Microenterprise Assistance Program](#). In addition to the two loan programs, the Department can connect you to business planning services, [additional loan resources](#), workforce training incentives and site selection assistance.

The U.S. Small Business Administration offers very specified loans with differing eligibility criteria and application processes. Visit www.sba.gov/funding-programs/loans to learn more about the various SBA loan programs.

“Greene County Economic Development, Tourism & Planning works throughout Greene County with companies of all sizes, including business start-ups, to grow and expand their businesses.”

- Buy in Greene/Invest in Greene

CONCLUSION

Taking the First Step



CONCLUSION

Taking the First Step

While there are risks involved in starting a small business, there are also great rewards for those who plan carefully with the help of local business communities and resources. We encourage you to consider locating your business in Greene County, giving you the best of both worlds: living in a tranquil setting with spectacular natural beauty without giving up the luxuries and sophistication of large urban areas. Our robust tourism industry, combined with proximity to important metro areas, makes us a great place to establish a business.

Greene County is located in the Great Northern Catskills and Upper Hudson Valley, giving it close access to large markets like New York, Boston and Albany. Unlike big cities, however, your business dream is not too small for Greene County to be interested. Our economic development team is focused on small business creation and Main Street development. We treat small businesses like big businesses and work tirelessly to improve the physical, social and economic vitality of these critical areas of our communities.

We hope you enjoy your journey towards new business ownership! Please like us on our social channels so you can get more tips and stay surrounded and inspired by successful business owners.



InvestInGreene.com

BUY IN **INVEST**
GREENE **GREENE**

A Greene County Economic Development Publication

InvestInGreene.com