

I'VE GOT A GREAT IDEA...NOW WHAT?

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You've spent hours dreaming, researching and planning, and you are finally ready to move forward with your new business venture. It can be a little overwhelming if you are starting from the ground up. Here are some tips to help you build on a solid foundation:

Form your team of advisors. This is a very important step. You will avoid numerous pitfalls if you form connections with a reputable business attorney, a trusted CPA, a savvy banker, and a proactive insurance agent right from the start. These professionals will help you navigate safely through the many challenges that face a new business. Ask owners of established businesses, or perhaps retired business owners (see www.score-louisville.org), to serve as your mentors, and listen to their advice.

Determine which entity type is best suited to your particular situation. Two of the most important questions to answer are: 1) how does the structure impact my personal liability for things that happen in the business; and 2) how does the structure affect the amount of tax I will have to pay? You can research this online at sites such as www.irs.gov/businesses/small/ or www.sba.gov/smallbusinessplanner/, but consult with your attorney and tax advisor to make sure the proper paperwork is completed and filed.

Decide on a name. The legal name of a business is the name of the person or entity that owns the business. One may choose to do business under a fictitious name (assumed name, or DBA "doing business as" name). Be sure to check to see if the name is available, and if so, register it for your exclusive use with the Secretary of State (Kentucky: www.sos.ky.gov/business/ or Indiana: www.in.gov/sos/business/) and County Recorder or County Clerk.

Obtain necessary business licenses and permits. The first step is to obtain a taxpayer identification number (TIN) from the IRS. Apply online at irs.gov or contact the IRS at (800) 829-4933. The local, state and federal requirements to legally operate your business can vary depending on the type of business, business structure, business location, etc. At business.gov click on Licenses and Permits to access Permit Me, an online tool that allows you to input your location and business category and receive specific information and links to relevant webpages, application forms and instructions.

Develop your business plan with financial projections. This is where you put your vision on paper. The process of developing the plan is as valuable as the plan itself, so even if it is contained in a notebook that only you will see, invest the time. If you need it to obtain financing, seek help from a professional. It will be well worth it.

Address insurance needs. Some types of coverage are required by law, others simply make good business sense. Liability, property, business interruption, key man, home office, automobile and umbrella insurance are forms of coverage you'll want to discuss with your agent.

Hire the right employees. Personal referrals are often the best choice, so put the word out about what you are seeking. There are also many online sites where you can post jobs or search for candidates, such as monster.com, careerbuilder.com, indianacareerconnect.com (free IN site), e3.ky.gov (free KY site), and others. Whether you have one employee or many, as a new employer you are subject to federal, state and local tax withholding and/or filing requirements. Refer to IRS Pub. 15 Employer Tax Guide for federal obligations. Check out the Indiana Business Guide at www.in.gov/business_guide.htm or the Kentucky Business Guide at www.thinkkentucky.com/BIC.

Promote your business! Let people know who you are and what you do.

Much of business success can be attributed to attitude and perseverance, and forming the right relationships. For more information on any of the information discussed above, contact Delene at 812.288.6621 or Delene_Taylor@mnc CPA.com, or visit www.mnc CPA.com.