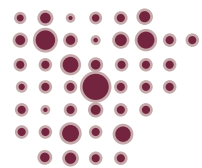


NEW BUSINESS GUIDE

How to Start in 6 Steps



ASBTDC

ARKANSAS SMALL BUSINESS AND
TECHNOLOGY DEVELOPMENT CENTER

If you are preparing to start a business, this e-book is for you!



Business start



Business purchase



Existing business

HERE TO HELP

The Arkansas Small Business and Technology Development Center wants to help you turn your business idea into a reality, step by step. Through our network of locations around the state, we offer no-cost services for entrepreneurs. ASBTDC is here to help you plan, research and weigh options, and take action.

Your dream = our mission.

Let our team of experts help you bring your dream to life!

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ebook by ASBTDC

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INTRODUCTION

Go from Great Idea to Grand Opening in 6 Steps

Starting a business is exciting (and a little scary). Whether your business will be part-time and home-based or you have a physical location and employees, getting started on the right foot will give you a solid foundation on which to build.

We hear from a lot of aspiring entrepreneurs that they're overwhelmed and don't know where to begin. It's easy to get caught up in the details and accidentally miss critical steps. That's why we created this guide.

6 Foundation Steps:

1 Check Your Readiness

4 Lay the Groundwork

2 Map Out Your Idea

5 Compile Your Business Plan

3 Build Your Brand

6 Obtain Funding

INSIDE



Homework

As you move through the steps, you will find homework, indicated by this icon. At the end of each section is a list of resources to help you, such as ASBTDC training, videos, e-books, worksheets, and tools. To get to the resources, you can click the blue links, or use the QR code below.



Checkpoint

The traffic light icons indicate checkpoints. Each checkpoint is an opportunity to pause and assess before you proceed.

Scan for Resources



ASBTDC.ORG/NEW-BUSINESS-GUIDE-RESOURCES

1. CHECK YOUR READINESS

Starting and running a small business is no easy feat. It takes time, money, and lots of hard work. Before you jump in, make sure you're prepared to take on this responsibility. Long before launch, you should consider your goals, experience, and abilities, as well as your personal finances.

Know Your Why

- Why do you want to start a business?
- Do you have an innovative solution to a common problem?
- Are you drawn to the freedom and flexibility of entrepreneurship?
- What are you hoping to get out of business ownership?
- What does success look like for you?

None of these questions has a "right" answer. Everyone brings a unique background, skill set, and personality to their business venture. Reflect on your business "why" until you've found your answer. Knowing your why will help you build everything from processes to products in a way that supports your vision.

No matter what your reason for starting a business, you have to take into account other factors.

For instance, do you need to generate a certain income to support your family? Or do you have certain non-negotiable lifestyle goals you want to achieve, such as taking Friday afternoons off or working from home?

Business ownership often demands time and investment. And a startup business typically requires you, as the owner, to take on new and different responsibilities – especially if you don't plan on having employees or can't afford them yet.

The role of a business owner comes with a learning curve, so keep in mind that if your ultimate goal is to work less, it may take a few years for that dream to become a reality.



Homework

Your Goals

Write down your personal goals for your business. Remember, there are no wrong answers.

Consider Your Experience and Abilities

Starting and running a business requires you to take on and master a variety of skills and knowledge. Poor management is a leading cause of business failure. This means that your experience and skills, or your ability to adapt and learn, are key to your business's success.

Take stock of your experience (work and personal) and what you may need to spend time learning before you start your business. If you lack needed skills, you will have to outsource this expertise, which can quickly become costly.

- **Industry:** Your chances for success are usually much higher if you have direct work experience in the type of business you plan to start. Past experience provides key contacts in the industry or community who can help you establish your own operation. Past experience also provides firsthand knowledge that cannot be learned from a book.

If you are developing a business idea but have no work experience in the field, we advise that you spend time gaining this experience to “learn the ropes” and the “tricks of the trade.” Otherwise, expensive, unexpected mistakes and challenges could arise that your new business may not be able to withstand.

- **Financial:** A critical aspect of owning a business is making sure to keep accurate and up-to-date records. Regularly reviewing your financial information helps you understand the impact your decisions are having on the profitability of your business. While you don't have to be a “numbers person,” you do have to plan for how you will manage your finances.
- **Computer and Online:** Most potential customers use the internet when making purchase decisions. Thus, your business's online presence is vital to the success of your marketing efforts.

Increasingly, business owners must have at least a basic level of skill in this area to manage day-to-day online activities, maintain a website, and build a social media presence. Hiring out all of these positions can quickly put you out of business before you even begin!



Homework

Your Experience and Abilities

Answer the following questions:

- What industry knowledge and experience do you have?
- Do you have the skills to develop a budget and maintain good financial records?
- Are you ready to establish and maintain your online presence?



Assess Your Financial Situation

People love to say “You have to spend money to make money!” Even if you keep costs down, there’s no denying that starting a business does take money.

If you’re working from home offering internet-based services, you may be able to start your business for as little as \$500-\$1,000. But the cost is much higher for a brick-and-mortar or product-based business. Rent, utilities, point-of-sale devices, invoicing services, inventory, supplies... the list of expenditures goes on.

As you think about the costs of starting and operating your new business, there are some **funding realities** that you need to accept. For one, grants are unlikely. Most people use a combination of loans and personal resources to start their businesses. And your ability to get a loan depends, in part, on your personal financial situation. If you have a low credit score or a history of bankruptcy, you may face extremely high interest rates or even outright rejection.

Getting a business loan is different from getting a personal loan, and not every applicant will qualify, regardless of personal credit history. The process usually takes more time than a car loan or mortgage and requires a lot of documentation.



In addition, you’ll need to have some cash on hand (similar to a down payment). Lenders don’t want to finance 100% of a new business – they typically expect you to put in at least 20%. If you haven’t invested enough equity in the project, be prepared for a lender to ask that you invest more.

Lenders also care about your personal credit and the availability of personal assets for collateral. They tend to focus on credit first, and bad credit can often be cause for denial of a loan.

So, if you have bad credit, your first step toward entrepreneurship is to take the necessary action to repair it **BEFORE** seeking small business financing.

When it comes to collateral, business assets aren’t typically enough for a business loan. In such a case, lenders will likely ask you for personal assets as well, such as equity in your home or rental property or non-retirement investment accounts. Then, they will also consider your ability to repay your loan.



Keep in mind, the business owner is the last person to get paid in a business. You must prepare to weather the startup phase without taking money out of the business. In other words, if you are having trouble making ends meet at home, it's best to wait to start a business until your personal situation is more stable.

In summary, to secure small business financing, you have to be **bankable**. But, if you aren't there yet, don't worry! Focus your time and efforts on improving your credit, cash, and collateral before approaching a prospective lender. This is just part of the process, and you'll likely be much happier with the terms of the loan you're offered.

READINESS Resources

- [Exploring Entrepreneurship Video](#)
- [Fine-Tuning Your Business Idea Worksheet](#)
- [Funding Your Small Business E-book](#)
- [Starting a Side Hustle E-book](#)



Checkpoint

Big question time. Are you ready? Ask yourself if you are prepared and able to move forward with your business idea. While skipping past this question may be tempting, don't. Starting your business before you are ready will make it harder for your business to survive and thrive.

2. MAP OUT YOUR IDEA

Before you begin writing your business plan, first define your concept or idea as clearly as possible. As you consider key aspects of your business, think about how each relates to the most key element of your business: the customer.

Product/Service

What types of products/services do you plan to sell? Are these products/services already available in the marketplace? If so, how and where? If not, why not? Will your products/services be different from what is already available? In what way (convenience, quality, service, price, etc.)?

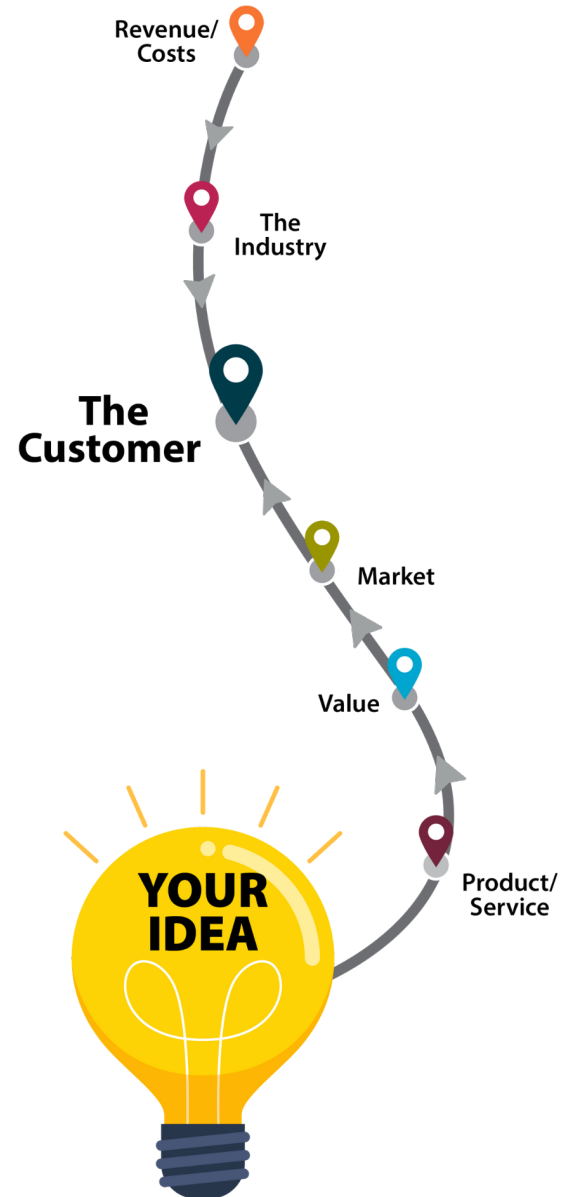
It's important to know exactly what products and/or services you offer and why. This prevents mission creep down the line and ensures that your energy is focused on your main product or service offering.

Value

Customers only buy something when it creates value for them. If your business isn't creating value for your customer, it has no reason to exist. Value can take many forms but tends to fall into one or more of these categories: functional, social, pain avoidance, or enjoyment/recreation.

Consider these examples of value creation:

- **Functional:** When consumers purchase something that satisfies a need, that is an example of functional value. Examples include gasoline, food, rent or mortgage payments, and other necessities.
- **Social:** Some purchases are influenced by our peers and the impression buyers wish to make on others. While clothing can be a purely functional purchase, it's usually not. Shoppers choose clothes that make them feel attractive, that fit their personal style, and that project to others what





they want them to see. A car is another example of a social purchase. Car buyers often aren't just buying transportation.

- **Pain Avoidance:** Sometimes purchases help avoid pain or discomfort. Insurance is a perfect example. Buying auto and home insurance is a way to hedge against costly repairs after an accident. Going to the dentist to have a cavity filled because a toothache will physically hurt us otherwise is another example.
- **Enjoyment/Recreation:** Some purchases are purely for pleasure. Consider sports equipment, travel, or a trip to the movies. No one needs those things to survive, but who doesn't want to experience the enjoyment they provide?

Your unique **value proposition** (the way your business creates value for your customers) is one of the most important things you can define upfront. If you are having trouble figuring out your value proposition, take some extra time and don't move forward until you have a firm grasp on it. Because if you don't believe in the value your product or service brings, neither will anyone else.

Market

Once you've figured out what value your business creates for customers, next explore what need(s) your product/service is meeting. What problem are you solving? Who needs this solution?

These things will help you figure out not only WHOM you should target but HOW to communicate with them in a way that encourages them to buy what you're offering. Understanding your customer base, their buying habits, and ultimately, your business's market potential is critical.

Gauging your competition will also play a pivotal role in whether or not your business is successful. Are you entering a market that is already crowded with competitors? If so, carving out your portion of that market will be more challenging and costly.

Also, how likely is it that competitors will enter your market in the future? More competition means the possibility of losing some of your customer base. Consider not only direct competition (other businesses that offer similar products and services) but also indirect competition, or businesses that help customers satisfy their needs in other ways – a restaurant versus a grocery store, for example.



The Industry

Blockbuster. Circuit City. Kodak. ToysRUs. What do all of these companies have in common? Though once dominant, they failed to adapt to changes in the market within their industries.

If this can happen to nationally renowned, well-funded companies with a long history, how much more of an issue is failure to adapt for small companies that have less cash to weather the storm?

The only constant in life is change. As a business owner, you must keep on top of what's going on in your industry. From purchasing trends to the latest advertising tactics, you need to make sure you don't fall behind the curve.

This is where market research comes into the picture. Fortunately, thanks to the internet, we have access to more information than ever before online. Not only should industry and market research be part of your planning process, you should continue following trade publications, industry experts, and your local channels so you can adapt as the market and customer preferences shift.

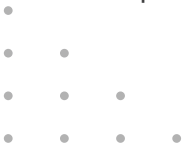
Several types of information can be helpful to you as you plan for your new business.

- **Demographics:** Market research identifies important demographic information about your customers, including population, age, income, education, sex, ethnicity, housing, occupation, and more. Is the population growing or declining in your area? What age group is growing the fastest? Is your target customer group growing?
- **Competition:** Look online to find out about competitors. Is a similar product already on the market? What are competitors doing well in marketing (and not so well)?
- **Industry Trends:** What trends might affect your business or provide an opportunity? Is your product new or innovative? Is your product or service a lasting one or a fad? Is the way business is conducted within the industry changing? For example, consider the changes in the movie rental industry over the last few years as well as the future direction of that industry.
- **Benchmarks:** Market research identifies specific statistics and benchmarks for your industry. For example, what are the average revenues for this industry? What are the average sales per square foot? How many new businesses entered the market?

Where Should I Look for Accurate Sources of Market Information?

Start by doing some of your own market research online. A great place to begin is an industry search. For example, search for your business type: "dental industry market research" or "breweries research report."

Many industries have a trade association with trade journals or reports. Search for your industry and the term "trade association," such as "funeral home trade association." Government sources also often have helpful research.





Check out the following resources:

- ▶ [U.S. Census Bureau \(https://www.census.gov/topics/business-economy.html\)](https://www.census.gov/topics/business-economy.html)
- ▶ [Bureau of Labor Statistics](#)
- ▶ [ESRI Zip Code Lookup](#)

The ASBTDC also has access to many resources to assist in the market research process. This research is available at no charge as part of ASBTDC consulting services (Arkansas for-profit small businesses only). To access this service, [sign up as a client](#).

Revenue/Costs

No matter how innovative the product, how clever the marketing, or how much customers love your business, if you're not making money you won't be in business for long. During the planning phase, the two financial areas you should focus on are revenue potential and costs (both startup and ongoing expenses).

Revenue Potential

The first factor is **capacity**. How much can you actually produce or sell? If you are making T-shirts, for example, you can physically design and print only so many on a given day.

Know your limits and don't overextend yourself. You don't want to end up in a position where you're selling more inventory than you actually have. That leads to disgruntled customers, bad reviews, and, ultimately, the end of your business. When looking at the potential revenue in relation to the costs, you may see an imbalance. If you're spending more than you stand to make, you're going to have to rethink either your prices or your overhead. Revisit your business concept for a way to reduce costs/expenses.

The next factor to consider is **customers**. How many really want what you offer badly enough to pay the price you're charging? If you don't have customers yet, how long will it take to get people to change their behavior and start buying from you?



Costs

The first major cost to consider is the cost of opening your business. Will you have to spend a lot of money on equipment, inventory, construction, etc.?

Next, take a look at ongoing operating expenses. The cost of starting and operating your business will vary widely depending on your industry and products.



Homework

1. Write out the products/services you plan to offer.
2. Summarize what you've learned about your market and industry. (Bullet points work fine.)
3. Write down your anticipated revenues and costs in one spot.

When looking at potential revenue in relation to costs, you may see an imbalance. If you're spending more than you stand to make, you're going to have to rethink either your prices or your overhead. Revisit your business concept for a way to reduce costs/expenses.





The Three-Legged Stool

We often compare a successful business to a three-legged stool. Just like the stool needs all three legs to stand, a business needs three key elements to be successful: market, management, and money. If you only have two of the three legs, your stool will fall.

Since you've already mapped out the building blocks of your business – your product/service, value, market, industry, and revenues/costs – you are now in a better position to assess feasibility. But, how do you know if your business idea is feasible?

Consider the following:

- **Market:** A business cannot exist without customers. Ask yourself, "Is there a market for my product or service?" Without a sufficient number of customers to buy your product or service at a high enough price to provide a profit, the business will inevitably fail.
- **Management:** The abilities of the owner make a big difference as to whether or not the plan can be executed successfully. You must be able to demonstrate to yourself and others that you have sufficient skill and experience to manage your business profitably.
- **Money:** If you have the market and management legs of your "stool," THEN – and only then – should you think about money.

Too many people ignore the market and management issues and barrel ahead. But overlooking them pretty much ensures business failure and/or an inability to secure the financing you need. The reality is that starting and sustaining a business costs money.

Many would-be entrepreneurs start too big and overwhelm themselves. A phased approach allows for lower startup costs and gives you time to gain experience in the market.



MAP OUT YOUR IDEA Resources

- [Mapping a Successful Startup Worksheet](#)
- [Startup Cost Worksheet](#)
- [Creating a Monthly Budget Worksheet](#)
- [Monthly Income Statement \(Budget\) Projection Worksheet](#)



Checkpoint

The question of feasibility is not an easy one to answer. Even after doing all of the work to map out your idea, you won't be 100% sure that your business will succeed until you try it. As an entrepreneur, you need to be comfortable with some amount of risk. Each individual has to decide how much risk you are willing to take.

What if you determine your business idea isn't feasible? This happens pretty frequently. Don't be too hard on yourself. It's not uncommon for entrepreneurs to consider several variations of their business idea before nailing down the right concept.

Don't give up! Just go back to the mapping process and use what you've learned to rework your concept. Better to learn this way than through an actual business failure.



3. BUILD YOUR BRAND

Think about some of your favorite brands. What are their characteristics? Why do you like them? Most successful brands have their own distinctive personality and voice.

A brand includes tangible assets like a logo, colors, marketing materials, signage, and taglines. It also includes things that are harder to describe. Successful brands are carefully crafted to reach their target customers. As a startup, you have the opportunity to craft a brand that reaches your target market in a unique and compelling way.

When you begin developing your company's identity, consider the core values of your business. Remember, your values aren't just about how you want to run your business. They're about your customers and how you're creating value for them.

Determining Your Business Name

Selecting a name for your business isn't always easy. Here are several things to keep in mind:

- Choose a name that is easy to pronounce and understand.
- Avoid names that are too general or don't give customers any clue about what you do.
- Avoid unusual spellings, which make it harder for customers to find you online.
- Pay attention to initials and acronyms.

Once you develop a list of potential business names, you can narrow down your list by going through the following steps:

- Try your name without spaces to see if it says something else.
- Determine if the domain name is available. While you may not be able to get the exact domain name, you don't want a potential customer to end up on your competitor's site, or worse, someplace unsavory.
- Google your name to see if other businesses have the same name or something similar. Keep an eye out for businesses that you don't want to be associated with yours.
- Check the [USPTO website](#) to see if the name is already registered. You don't want to accidentally infringe on a trademark and receive a cease-and-desist letter.
- If you plan to register with the Arkansas Secretary of State as a corporation or LLC, do a search to make sure no one else is using that name or something similar.





Plan for Your Logo and Look

Your logo is important. At this stage, we don't recommend that you pay someone to create your logo just yet, but you should plan for this step by considering potential vendors and getting price estimates.

A professionally designed logo is a good investment. You can work with a local graphic designer or utilize an online platform where designers compete for your business. If you have a preferred color scheme, share that with your designer so everything coordinates. If you are artistic and are able to design your own logo, you may still need to pay someone to put it in the correct file formats for web and print.



Plan for Your Website

The cost of a new website can vary from a few hundred dollars (for hosting fees and domain name, etc.) for a DIY to several thousand dollars for a professional build.

The first step in planning and budgeting for your website is to figure out what role your site will play in your business. What functionality do you need on your site? Do you plan to sell online? Will customers schedule appointments or place orders online? These are the factors that will determine the overall cost of your site.

If your website is going to be relatively simple, you may be able to create it yourself using WordPress, Squarespace, or a template site. If you need a higher level of functionality, then you should contact web developers to get price quotes.

Develop Your Marketing Plan and Calendar

How will you attract attention? Should you post pictures on social media? Should you buy an ad in the newspaper? Should you sponsor a local sports team?

These are the questions you'll be faced with on a daily basis as a business owner. Most small businesses have limited marketing budgets and need to choose tactics wisely. You must be strategic about how you spend your marketing dollars and your time!

Marketing is a process. Just as it takes time to build your business revenue, it will also take time for you to scale up your marketing efforts in a way that doesn't overwhelm your bottom line or you. The important thing is to create a plan to attract and retain customers, and then follow it.

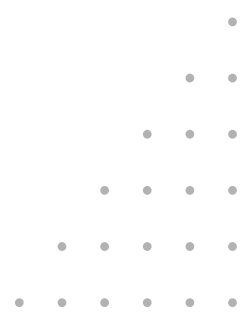


Homework

Now that you have considered these key aspects of your brand, calculate the estimated costs.

BUILD YOUR BRAND Resources

- [Marketing Map](#)
- [Sample Marketing Calendar](#)
- [Intellectual Property Toolkit: Intro to Trademarks E-book and Video](#)
- [Social Media Marketing for First-Time Business Owners: Where to Start Article](#)





4. LAY THE GROUNDWORK

A business must be built on a solid foundation. The framework that supports the company includes the recordkeeping system, location, legal structure, licenses and permits, insurance, and employees.

Prepare to Keep Good Records

Monitoring a business's financial health and cash flow is key not only to profitability but also to your business's survival. The best way to monitor your finances is with a sound recordkeeping system.

To choose the right system, you'll need to determine what you need out of it. At a minimum, you will need a system that provides you with monthly income statements and balance sheets. If you have inventory, then you will need a point-of-sale (POS) or inventory management component in your system. If you have employees, your system will have to process payroll. Often, the more complex your business, the more robust and specialized your system will need to be.

Talk to your accountant. Look at your industry trade association to see if there are systems developed specifically for your type of business. Get references from businesses using the system and talk to them about what works well and what the pain points are.

Then, determine what it will cost to purchase and set up your system and how much it will cost to maintain. Make sure to include all accounting and tax prep fees in this amount.

Select a Location

Do you plan to start off as a home-based business? Will you have a storefront or office? Will you primarily do business online?

For businesses that require a physical location, give careful consideration to choosing the right one.

What makes a good location? It depends on your customers and if and how they will interact with your business. For instance, if your services are offered on-site (like a gym or a financial consultant), you'll need a location with enough space for parking. If you're opening a restaurant with outdoor seating, you'll want to make sure to account for road noise and fumes that could ruin your customers' experience.

Don't just choose your location based on the rent. Consider ease of access, convenience for customers, and safety. You should also consider your space requirements, now and over the next few years.

Look at the costs associated with any leasehold improvements or construction. If you plan on leasing space, read the lease carefully so you'll understand the things you're responsible for and what your landlord is responsible for. Budget accordingly.

DO NOT sign any lease agreements or commitments until after you've secured financing. Remember that financing is never guaranteed, and obligating yourself before funds are secured could result in financial disaster.

Identify Your Legal Structure

Before starting your business, you need to determine what legal entity is right for you. Your choice of business structure has both tax and legal implications. ASBTDC cannot advise you on which legal structure is best for you.

If you are unsure, speak with an attorney to discuss legal aspects and an accountant about the tax implications. By this point, you should have selected both an attorney and an accountant, so you can identify the professional fees associated with establishing your business legally.

Just remember, you pay taxes and face legal implications from the time you set up the legal entity, not when you actually start making money. So make sure you wait to establish your legal structure until you're ready to launch.

Do you need other contracts or agreements as part of your business operation? If so, determine the cost of having those developed as well.



Determine License, Permit, and Tax Requirements

Businesses must meet different requirements set by the city, county, state, and federal governments. In addition, agencies and boards related to specific professions/industries regulate many occupations and businesses. Make sure that the business or job function you perform is properly licensed by the appropriate regulatory agency.

Because of the time, fees, and red tape involved, obtaining licenses and permits and figuring out tax requirements will likely be the last steps you take before opening your business. But go ahead and determine what you must do to operate safely and legally.





Choose Insurance Coverage

Several types of business insurance are available, each covering different types of losses. To determine your needs and costs, speak with an insurance agent to discuss the appropriate insurance coverage for your business.

Prepare for Hiring Employees

If you plan to hire employees, you must learn about documentation, payroll, tax, and workers' compensation requirements. You must also adhere to employment laws and regulations.

Learning about these will help you determine your monthly payroll-related expenses.

Develop Cash Flow Projections

Use the information you compiled to prepare your monthly budget and create a cash flow projection. The cash flow projection takes into account when cash comes in and goes out of your business.

A cash gap between the time you pay expenses and when you get paid by customers is common. The extra cash needed to cover that gap is called **working capital**. Your cash flow projection will help determine how much working capital (extra cash) you need for operations.



Homework

Update Your Costs and Expenses

As you have laid the groundwork for your business, you've likely uncovered additional startup costs and ongoing expenses that you'll incur. Update your Startup Cost Worksheet and monthly budget.



Checkpoint

You've likely identified several additional costs at this point. To gauge whether your business idea is still feasible, review your updated projections and decide if the cash flow is sufficient. If not, go back and revisit your concept and strategy.

LAY THE GROUNDWORK Resources

- [Starting a Business in Arkansas Training](#)
- [License, Permit, and Tax Requirements E-book](#)
- [Employer Basics Video](#)
- [Monthly Income Statement \(Budget\) Projection Worksheet](#)



5. COMPILE YOUR BUSINESS PLAN

When you've completed all of the work in the previous steps, writing your business plan is really just pulling together the information you've gathered to tell a cohesive story about your business.

What is the best way to go about putting together your plan? ASBTDC offers the **To the Point Business Plan** outline and sample plan that you can use as a guide. Alternatively, some people utilize business planning software. Whichever method you choose, make sure that you keep your audience in mind as you put together your plan.

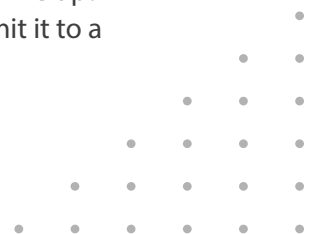
BUSINESS PLAN Resources

- [How to Write a Business Plan Training](#)
- [Build Your Business Plan Video](#)
- [To the Point Business Plan Sample and Outline](#) (Spanish versions available)
- [Business Summary Outline](#)
- [Business Plan Quick Check](#)



Checkpoint

Is your plan realistic and complete? Do all of your numbers and your narrative line up? ASBTDC can review your business plan and provide feedback before you submit it to a lender or investor.



6. OBTAIN FUNDING

Most of the time, startup funding comes from personal resources, friends and family, and small business loans. When you seek financing, you need to be confident that you planned for the right amount.

When pitching lenders or investors, you should be able to demonstrate that you are fully prepared. Financial backers don't want to loan money or invest in a half-baked business.

If you completed all of the previous steps, you should have a clear idea of the amount of money starting your business will require. You should also know how much cash you plan to contribute to the project and how much additional capital you'll need. It is never wise to approach a prospective lender or investor when you are unsure of how much you need.

Having a well-thought-out plan isn't enough. You must also be prepared from a personal financial standpoint. Remember what lenders and investors look for: cash, collateral, management experience, business feasibility, and credit.

If you plan on approaching a bank for funding, a good place to start is the bank with which you already have a relationship. We do not recommend that you send your plan all over town all at once. Start by talking to a couple of lenders and gauge their response. If you are turned down, ask why. This may help you find more likely opportunities.

As you prepare to seek a loan, a couple of things to keep in mind:

1. Allow plenty of time, especially if your project is large.
2. Don't assume you will be approved or that your project will be approved exactly as you requested.

Also, if you are considering an SBA-guaranteed loan, understand how that process works.

Note: The ASBTDC does not give business loans, nor does the ASBTDC have any input in lending decisions.

FUNDING Resources

- [Financing Your Business Training](#)
- [Financial Basics for Small Businesses Video](#)
- [Funding Your Small Business E-book](#)



Checkpoint

Were you able to secure all of the funding that you need? If you obtained some funds but not the total amount, be careful. Don't just move forward hoping you can do it with less money. Go back to see if you can trim costs without sinking the ship. Or, would a more phased approach to your business concept work? If not, you might need to revisit your concept altogether or take some time to save more money.



GET READY TO LAUNCH

Countdown Checklist

This is when it all comes together. You've secured funding and made it through all the checkpoints, so the next phase is to prepare for launch.

As you get ready to open, choose a realistic date that allows you plenty of time to complete your startup countdown list.

A lot remains to do before you open your doors. As the owner, you'll have to take care of many details yourself. In addition to business startup tasks, square away your family and personal obligations as much as possible. Once you're in business, you'll be very busy!

Here are some of the things you may need to do before you launch:

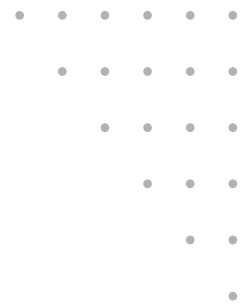
- Formally establish your legal structure.
- Obtain required business licenses and permits.
- Set up your bookkeeping system. For most businesses, it is best to engage the services of an accountant or bookkeeper for system setup and ongoing tax assistance.
- Open a business bank account and merchant account for accepting payments.
- Reread and sign leases.
- Set up utilities and phone service.
- Proceed with any construction or leasehold improvements required.
- Order equipment, furniture/fixtures, inventory, signage, etc.
- Finalize logo and marketing materials, including business cards.
- Establish your online presence. Launch your website, set up your social accounts, and claim your listing on Google.
- Plan your grand opening and how you will promote the event.
- Create your marketing calendar and prepare social posts you will use later.
- Contact your insurance agent to obtain needed policies.
- Install technology, such as a point-of-sale (POS) system or customer relationship management (CRM) platform.
- Hire employees (if applicable).
- Start networking. Introduce yourself in person to surrounding businesses, other businesses with complementary products and services, and potential customers.



SOME DOS AND DON'TS OF STARTING A BUSINESS

DO

- Consider risk versus reward. Each individual must define success and consider how much risk is tolerable.
- Keep in mind that a new business can be very demanding on your personal financial resources.
- Identify your target customer segments.
- Make sure products/services are creating value for your customers.
- Plan to use some of your own cash to start your business.
- Demonstrate that your business idea is feasible in your business plan.
- Plan for the cost of working with business professionals such as an accountant, attorney, etc.
- Have your bookkeeping system in place before starting your business.
- Understand the government regulations and tax requirements that will affect your business.



DON'T

- Don't assume the financing process will go quickly.
- Don't underestimate the costs of starting and operating a new business.
- Don't over-project sales.
- Don't forget to budget for adequate working capital for your new business.
- Don't assume there is demand for your product or service.
- Don't count on obtaining a grant to start your business.
- Don't take for granted that you will be able to obtain a loan.
- Don't use all of your personal resources to start your business and assume you'll get a loan later.
- Don't sign leases or contracts before financing is in place unless those agreements are contingent upon receiving financing.
- Don't assume that your workers can be independent contractors rather than employees.
- Don't underestimate the value of employer-provided benefits such as insurance and leave time if you are currently employed.
- Don't depend on someone else to write your business plan.
- Don't count on being able to pay yourself from your startup business during the first year.
- Don't underestimate the competition.



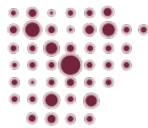
READY, START, GROW

While you prepare to launch your new business, take advantage of ASBTDC's no-cost, confidential, one-on-one professional business consulting, available through our network of offices. We assist all sorts of for-profit, Arkansas-based ventures.

Get a customized, step-by-step plan for starting, funding, growing, marketing, and managing your small business. Go to asbtdc.org/contact-us or call **(800) 862-2040** to request a meeting.

A great place to begin is with one of our startup training sessions. At asbtdc.org/training, check our event calendar for upcoming programs in your area and live webinars, or take advantage of on-demand options.





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