

# The Frugal Small Business Start-Up Checklist

*Note: This checklist follows [The Frugal Entrepreneur's Small Business Start-Up Series](#)*

## 1. Conduct Research and Development

\*First answer the following questions:

- Is there a current or potential demand for your product or service?
- Who makes up your target market?
- Does the demand have potential staying power?
- What does the current competition look like?
- What are the anticipated production/operation costs? (This includes the average cost of any necessary supplies, equipment, and facilities as well as the cost to hire employees.)

\*Here are some [Free Online Tools to Conduct Market Research for Your Business](#)

## 2. Make a List of Available Resources

\*Determine all the assets, knowledge, and expertise that will be needed to start the business

\*Get an adviser. For free counsel:

- [Service Corps of Retired Executives \(SCORE\)](#)
- [The Small Business Association\( SBA\)](#)
- [Micro Mentor](#)
- [Additional online business resources](#)

## 3. Create a Start-up Budget

\*Calculate your start-up costs and complete a start-up budget worksheet

## 4. Develop a Business Plan

\*Define your company's mission, the product/service you intend to offer, the industry and market segments you want to enter, the setup and structure of your business, and a financial analysis

\*Some free online business resources:

- [Myownbusiness.org](#)- free online business course
- [Small Business Association](#)- a collection of basic articles on writing a business start-up plan.
- [Allbusiness.com](#)- specific articles on business plan creation as well as some

- downloadable templates.
- [SCORE](#)- an online business workshop
- [Bplans.com](#)- over 500 free sample business plans

## 5. **Get Financing for the Start-Up**

\*Some frugal financing options:

- Friends and family
  - [LendFriend](#)
  - [Lending Karma](#)
  - [LoanBack](#)
  - [WikiLoan](#)
- Take on a business partner
- [Microfinance](#)
- Grants, scholarships and entrepreneurial competitions

For information on government grants see:

- [Business.gov](#)
  - [Grants.gov](#)
  - [A list of State Development Agencies](#) for small business grants
  - [The Catalog of Federal Domestic Assistance](#)
- Crowdfunding
    - [Kickstarter](#)
    - [Venture Socially](#)
    - [Indiegogo](#)
    - [Growvc](#)
    - [Rocket Hub](#)
    - [Profounder](#)

## 6. **Set Up a Legal Business Entity**

\*Decide on the Legal Structure of Your Business

- Sole Proprietorship
- Partnership
- Limited Liability Company (LLC)
- Corporation or S-Corporation

For more information on the various business structures see the following:

- [The IRS's guide to the tax implications and requirements of the various business structures.](#)
- [The Quick MBA's Guide to Business Legal Structures](#)

\*Register Your Business Name

The legal name of your business is that name that will appear on any legal or tax documentation related to your business. Depending on the structure you choose for your business as well as the state that you will be operating in, there are

different requirements for registering the name.

Resources for business naming:

- The [SBA's page on registering a business name](#)
- Free business name generators:
  - [BizNameWiz](#)
  - [WordLab](#)
  - [WriteExpress](#)
  - [NameStation](#)
  - [Company Name Generator](#)
- [Crowdsourcing a business name](#)

\*Apply for an Employer Identification Number (EIN)

If you register your business as a Corporation, LLC or Partnership, or a sole proprietorship with employees, apply for a EIN from the IRS.

The best place to get information on an EIN is the [IRS website](#). You can even [apply for a tax ID number online for free](#).

\*Register Your Business for State and Local Taxation

- The SBA has a [list of state resources](#) that will tell you what you need to know about doing business and paying taxes within a particular state.

\*Apply for Licenses and Permits and Abide by Local Zoning Laws

To run your business legally, you must also make sure that you receive any applicable licenses and operating permits. Depending on your business' industry and physical presence, you may be required to get licenses and permits at federal, state, and/or local levels.

- To find out what specific licenses and permits you will need to operate your business, see the SBA's [Business Licenses and Permits Search Tool](#).
- For a comprehensive list of articles and other resources on zoning laws see this [field guide to zoning laws and ordinances](#).
- See the SBA for information on [zoning laws for home-based businesses](#).

## **7. Determine Your Location**

\*Frugal location options:

- Home office
- Subleased commercial property
- Shared office space
- Virtual Office Solutions, Business Centers, and Offices “By the Day”
- Kiosk, a Pop-up Store, or a Mobile Unit

## **8. Set Up Accounting System**

\*Choose accounting method

- Cash method
- Accrual method

\*Choose how you will record financial transactions:

- Hand-written in a ledger
- Set up an electronic ledger, using an Excel spreadsheet
- Use an accounting software package

Some free options:

- [NolaPro](#)
  - [GnuCash](#)
  - [TurboCash](#)
  - [Express Invoice](#)
  - [Express Accounts Plus](#)
- Hire an outside bookkeeper or an accountant
    - [CPADirectory.com](#)
    - [AccountantsWorld.com](#)

\*Choose how you will conduct financial reporting: do everything yourself manually, do it yourself with the aid of an accounting software package, or hire an outside accountant or bookkeeper.

## 9. Hire Employees

\*Develop a job description

- A [sample generic job description template](#)
- An article on [writing effective job descriptions](#) by the SBA
- A [collection of job descriptions](#) from Microsoft Office

\*Create an employee handbook

- [Employee Handbook Template](#) by the SBA
- Article on [what to include in your employee handbook](#) by the SBA
- A [comprehensive article and resources on employee handbooks for small businesses](#) by Business Owner's Toolkit
- Several [resources on the sections to include in your employee handbook](#) by About.com

\*Conform to federal and state employment regulations

- Obtain an Employer Identification Number (see above),
- Set up process for paying payroll tax, reporting wages and taxes withheld for each employee, and fulfilling any obligations for workers' compensation insurance, unemployment insurance, and disability insurance (which vary by state).
- For more detailed information on employer rules and regulations:
  - [Ten Steps to Hiring Your First Employee](#) -A thorough guide for to employer regulations from the SBA
  - A breakdown of [various employment laws from the U.S Department of Labor](#)

\*Advertise the available position(s)

Aside from the more “traditional” hiring strategies, such as putting an ad out in

the local classifieds or job boards, hanging up fliers, or even heading for a recruiting agency (the most expensive option), the Internet, and social media networks in particular, provide a cheap (often free) platform for spreading the word about a job opening.

\*Conduct background checks

- Contact references
- Do a Google/social network search
- Hire a professional screening company

\*Conduct interviews

- Decide how the interview will be conducted
- Here is an [article on conducting a job interview](#) by Bnet
- [100 Potential Interview Questions](#) at Monster.com

## **10. Build Up a Business Credit Profile**

\*Open a business bank account

\*Make sure financial records and documentation are kept separately from personal financial information

\*Apply for a business credit card

\*Seek out vendors and other businesses that report to the credit bureaus ([D&B](#), [Experian](#), [Equifax](#) and [TransUnion](#)).