

# HOW TO START YOUR BUSINESS

## 1. PICK YOUR BUSINESS LOCATION

Your business location determines the taxes, zoning laws, and regulations your business will be subject to. You'll need to make a strategic decision about which state, city, and neighborhood you choose to start your business in.

- **RESEARCH THE BEST PLACE TO LOCATE YOUR BUSINESS**

- You'll need to register your business, pay taxes, and get licenses and permits in the place you choose to locate your business.
- Where you locate your business depends in part on the location of your target market, business partners, and your personal preferences. In addition, you should consider the costs, benefits, and restrictions of different government agencies.
- Region-specific business expenses
- Local zoning ordinances
- State and local taxes
  - Consider the tax landscape for the state, county, and city. Income tax, sales tax, property tax, and corporate taxes can vary significantly from place to place.
- State and local government incentives
  - Some state and local governments offer special tax credits for small businesses. You might also find state-specific small business loans or other financial incentives.

## 2. CHOOSE A BUSINESS STRUCTURE

The business structure you choose influences everything from day-to-day operations, to taxes, to how much of your personal assets are at risk. You should choose a business structure that gives you the right balance of legal protections and benefits.

Your business structure affects how much you pay in taxes, your ability to raise money, the paperwork you need to file, and your personal liability.

You'll need to choose a business structure before you register your business with the state. Most businesses will also need to get a tax ID number and file for the appropriate licenses and permits.

- **REVIEW COMMON BUSINESS STRUCTURES**

- **Sole proprietorship**

A sole proprietorship is easy to form and gives you complete control of your business. You're automatically considered to be a sole proprietorship if you do business activities but don't register as any other kind of business.

- **Partnership**

Partnerships are the simplest structure for two or more people to own a business together. There are two common kinds of partnerships: limited partnerships (LP) and limited liability partnerships (LLP).

### 3. **CHOOSE YOUR BUSINESS NAME**

You can find the right business name with creativity and market research. Once you've picked your name, you should protect it by registering it with the right agencies.

- **REGISTER YOUR BUSINESS NAME TO PROTECT IT**

- You'll want to choose a business name that reflects your brand identity and doesn't clash with the types of goods and services you offer.

- Once you settle on a name you like, you need to protect it. There are four different ways to register your business name. Each way of registering your name serves a different purpose, and some may be legally required depending on your business structure and location.

- **DIFFERENT WAYS TO REGISTER YOUR BUSINESS NAME**

- **Entity name**

An entity name can protect the name of your business at a state level. Depending on your business structure and location, the state may require you to register a legal entity name.

- **Trademark**

A trademark can protect the name of your business, goods, and services at a national level. Trademarks prevent others in the same (or similar) industry in India from using your trademarked names.

- **Domain name**

If you want an online presence for your business, start by registering a domain name — also known as your website address, or URL.

#### 4. REGISTER YOUR BUSINESS

Register your business to make it a distinct legal entity. How and where you need to register depends on your business structure and business location.

- **FIND OUT IF YOU NEED TO REGISTER YOUR BUSINESS**
  - Your location and business structure determine how you'll need to register your business. Determine those factors first, and registration becomes very straightforward.
- **REGISTER WITH STATE AGENCIES**
  - If your business is an LLC, corporation, partnership, or nonprofit corporation, you'll probably need to register with any state where you conduct business activities.
  - Some states allow you to register online, and some states make you file paper documents in person or through the mail.
- **REGISTER WITH LOCAL AGENCIES**
  - Typically, you don't need to register with county or city governments to actually form your business.
  - If your business is an LLC, corporation, partnership, or nonprofit corporation, you might need to file for licenses and permits from the county or city.
- **STAY UP TO DATE WITH REGISTRATION REQUIREMENTS**
  - Some states require you to provide reports soon after registering depending on your business structure.

#### 5. APPLY FOR LICENSES AND PERMITS

Most small businesses need a combination of licenses and permits from both Central and state agencies. The requirements — and fees — vary based on your business activities, location, and government rules.

- **LICENSES AND PERMITS**
  - You'll need to get a license or permit if your business activities are regulated by a state agency.
  - Check to see if any of your business activities are listed here, and then check with the right agency to see how to apply.

- Requirements and fees depend on your business activity and the agency issuing the license or permit. It's best to check with the issuing agency for details on the business license cost.

## 6. OPEN A BUSINESS BANK ACCOUNT

Open a business account when you're ready to start accepting or spending money as your business. A business bank account helps you stay legally compliant and protected. It also provides benefits to your customers and employees.

- **Benefits of business bank accounts**

As soon as you start accepting or spending money as your business, you should open a business bank account. Common business accounts include a checking account, savings account, credit card account, and a merchant services account. Merchant services accounts allow you to accept credit and debit card transactions from your customers.

- **Find an account with low fees and good benefits**

Some business owners open a business account at the same bank they use for their personal accounts. Rates, fees, and options vary from bank to bank, so you should shop around to make sure you find the lowest fees and the best benefits.

- **Get documents you need to open a business bank account**

Opening a business bank account is easy once you've picked your bank. Simply go online or to a local branch to begin the process. Here are some of the most common documents banks ask for when you open a business bank account. Some banks may ask for more.

## 7. GET BUSINESS INSURANCE

Business insurance protects you from the unexpected costs of running a business. Accidents, natural disasters, and lawsuits could run you out of business if you're not protected with the right insurance.

- **PICK THE TYPE OF BUSINESS INSURANCE YOU NEED**

- The protections you get from choosing a business structure like an LLC or a corporation typically only protects your personal property from lawsuits, and even that protection is limited.
- Business insurance can fill in the gaps to make sure both your personal assets and your business assets are fully protected from unexpected catastrophes.
- **COMMON TYPES OF BUSINESS INSURANCE**
  - After you purchase insurance that's required by law, you can find insurance to cover any other business risk. As a general rule, you should insure against things you wouldn't be able to pay for on your own.
  - Speak to insurance agents to find out what kinds of coverage makes sense for your business, and compare terms and prices to find the best deal for you. Here are six common kinds of business insurance to look for.
- **STEPS TO BUY BUSINESS INSURANCE**
  - **Assess your risks.** Think about what kind of accidents, natural disasters, or lawsuits could damage your business.
  - **Find a reputable licensed agent.** Commercial insurance agents can help you find policies that match your business needs. They receive commissions from insurance companies when they sell policies, so it's important to find a licensed agent that's interested in your needs as much as his/her own.
  - **Shop around.** Prices and benefits can vary significantly. You should compare rates, terms, and benefits for insurance offers from several different agents.
  - **Re-assess every year.** As your business grows, so do your liabilities. If you have purchased or replaced equipment or expanded operations, you should contact your insurance agent to discuss changes in your business and how they affect your coverage.