

A woman with dark hair, wearing a white blazer over an orange top, is in the foreground, wearing headphones and speaking into a professional microphone. In the background, a man and a woman are looking at a document together. The scene is set in a studio with a large black 'R' logo on the wall. On the left, there are three vertical panels showing different scenes: a person at a desk, a person at a table, and a person with a red object.

**A COMPREHENSIVE GUIDE  
TO THE FIRST YEAR OF YOUR  
NEW SMALL BUSINESS**



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While starting a small business online has never been easier, an incredible amount of work still has to go into it. And skipping steps can make it or break for you (like, you could get sued, ya'll).

Don't lose money before even making it. Do take our advice.

You CAN start and build your side hustle into a profitable main gig with confidence.

# **BUT FIRST,** **SHOULD YOU SWITCH** **FROM FREELANCER TO** **BUSINESS OWNER?**

**PRO TIP**

As you're going through this comprehensive guide, think about what these will look like for you in your new business.







You became a freelancer to drop the 9-5, be your own boss, and do things your way. So, what could owning a business do for you that freelancing hasn't already? We could just give you the answer right about... now. But we think it's more powerful for you to come up with the answer yourself.

What we will do for you is give you some things to keep in mind when making the transition:

- Be prepared. As a business owner, you'll be thrown headfirst into finance, leadership, management, hiring, firing, the whole shebang.
- Do your research. We knock you hard over the head with this down below. We're just dropping it here, too, to let you know it's coming.
- Consider finding a co-founder. Partnering with someone who has complementary skills not only helps you offload some of the decision making, but he/she will be your right-hand person in everything. Choose wisely.
- Think about scalability. As a freelancer, you charged for the time it takes to complete one particular activity. As a business owner, you have to think about scaling, which could mean selling a product or service at a fixed price (at mass). Less effort for you. More profit in the end.
- Remember legalities. As an independent contractor (a.k.a. freelancer), you don't have to worry about half as many legal obligations as business owners do. Stay on top of what's needed legally every step of the way so no unexpected fines occur.



**Research is  
always first**



# GET DETAILS ON YOUR TARGET CUSTOMER AND MARKET

You'll notice a trend across our guide.  
Research is always first. Always.

Yes, it can be boring. Yes, it takes time. But you'll be SO much more prepared if you actually do the d\*\*\* work. Trust us.

Let's dive in.

Creating buyer personas is the way to go. Age, occupation, education, and other lame demographics usually make up the brunt of these semi-fictional representations of your ideal customers.

However, to get the most out of them, you have to dig deep into the minds of your target customers and identify things like:

- Their communication channels
- Their personal and professional goals
- What motivates them
- Their problems and pain points
- Why they would purchase from your business

Put all of this in a nice little template, and you've got yourself a buyer persona. Actually putting in the work here will help you better serve the real people they represent — uhm, hellooo, your customers! So, even though your target customers got 99 problems, what you solve for them won't be one.

But in all seriousness. We want you to realize that last point on the list is key. What will make your ideal client buy from you instead of the competition? What's your secret sauce? What value do you bring to the table? These are all incredibly important questions to ponder.





# THE

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# NICHE

# (CORNER)

Now that you have target customers, it's time to narrow it down even more.

Find your niche.

You don't necessarily need a niche starting off, even as a business owner. You may have absolutely no idea what you want to specialize in, or you want to be a catch-all, and that's OK! But if you're ready to choose a specific industry, we promise you won't go back.

Having a niche increases your perceived value and gives you a leg up over competition as well as a competitive advantage. For example, if you start a marketing agency, maybe you only target selling services and products to environmentally conscious brands. Or, maybe you start an accounting firm solely for local, family-owned small businesses in your area.

A tip here is to take those buyer personas from the step before and backtrack a bit.

Think: What industries are these people working for? With that answer, you'll know exactly where to find your ideal clients and others like them.

Either way, there's a reason why they say the riches are in the niches.



# PERFORM A COMPETITIVE ANALYSIS

This is fancy talk for scoping out your competition. Start by [handpicking comparable businesses to measure up](#). To make sure it's fair game, ensure the other businesses are:

- Of similar size
- Targeting the same customers
- Serving the same geographic area (if local)
- With the same business structure (more on this later)
- Young (You won't go head-to-head with businesses that have been around for longer than you have, now would you?)

The point of this is to see how you fit into the existing business landscape so you can adapt and pivot as necessary. Then, move on to your [SWOT analysis](#).

Before starting, have a clear objective in mind. What's your end goal with the analysis? Will you introduce a new product or service? Do you want to adjust how you're currently doing things?

When you have your clear objective, fill out the four areas of the analysis:

- Strengths. What strong points does your business have?
- Weaknesses. Where are you lacking? How could you improve?
- Opportunities. What could you take advantage of for growth?
- Threats. Who/ what could be the end of your business as you know it?

Finally, develop a strategy to address key issues, putting all four areas of the exercise side-by-side for reference. For example, you can see how your strengths can help you maximize opportunities available in your field, or you can try to think of how you can minimize weaknesses to overcome potential threats.

Going through this process will help you prepare the ground to "define a competitive edge that creates sustainable revenue." (As said best by the [U.S. Small Business Administration](#).) Which leads us nicely into our next point...





A dimly lit room, possibly a classroom or office, with a person sitting at a desk in the background. The scene is overlaid with large, handwritten-style text in a light blue color. The text reads: "DETERMINE YOUR UNIQUE SELLING PROPOSITION".

DETERMINE  
YOUR UNIQUE  
SELLING  
PROPOSITION



Your unique selling proposition (USP), or competitive advantage, is what makes you you. It's as much intertwined with your business, products, and services as it is with you as a person. A USP is a single attribute that is unique to you and no other competitor. It comes to mind as soon as a person thinks of your business or your brand.

Here's a few: Walmart's "everyday low prices," Amazon's 2-day shipping, and Nike holding the monopoly for... running shoes. That's right.

If you aren't already known for something, take your competitive advantage into your own hands.

Remember: What you say and what you do should align with that unique attribute you're trying to be known for. With that USP, you're effectively moving from a red ocean to a blue ocean. But if you want to just keep swimming among the seas of competition, who are we to tell you otherwise?

Sooner or later you'll catch the drift.



# REMEMBER SOME FINAL KEY POINTS WHILE RESEARCHING

As we're wrapping up on the preliminary data stage, we - and our friends at [Entrepreneur](#) - want to give you some final tips so you don't stress as much:

- While you may be tempted to research everything under the sun, it's impossible. Concentrate on what gives you the biggest ROI, or return on investment. (Add it to your small business dictionary.)
- When starting a small business online, it shouldn't cost you a lot of money. If you're tempted to outsource the work to a consultant or market researcher, ask yourself: Whose dreams are these? Whose business is this?
- It's incredibly easy to get side tracked when researching. Don't do it. Don't get [shiny object syndrome](#). (Yes, it's a real thing.) Focus so it's more concise, usable, and valuable to you.

Woohoooo! We've reached the end of researching. Now, let's draft up a steadfast plan to get your new small business rolling.







# CREATE A BUSINESS PLAN

With research done, get ready to put pen to paper (or voice to Notes) to start developing an actual plan.



# WHY YOU NEED A PLAN

Think of your small business plan as a roadmap that will help you figure out where you're even going. With a good plan, you can sell the idea of your company and its long-term vision better. Actually, [one survey found](#) that those who take the time to create a business plan are two times more likely to “successfully grow their business and attract lenders or investors” in comparison to those who didn't bother doing so.

Kinda sounds like NOT creating one is like throwing money out the window.

It's really not that hard. Plus, we've already done the hard part for you - figuring all this stuff out!

# HOW TO STRUCTURE YOUR PLAN

There are a million different templates and styles you can choose from to create a business plan. (We didn't count all of them, but we're pretty sure that's how many there are. I mean, have you tried Googling it???)

Anyways, [most business plans fall into one of two categories](#): traditional or lean startup. Let's break them down real quick:


- Traditional. These are the most common types of business plan you'll find. They're super detailed and, thus, incredibly time consuming. They're easily over 20 pages long. Lenders and investors drool over these.
- Lean startup. These high-level business plans touch on the most important elements. They're typically just a page long and take a couple hours at most to whip up. They change as your business grows and scales, but future investors may ask for more info. It's just not thick enough for them.

# WHAT TO INCLUDE IN A SMALL BUSINESS PLAN

Whether traditional or lean startup, here are some [key components to include in your business plan:](#)

Executive Summary	As its name suggests, it is an overview of your business concept, including your mission statement.
Company Description	This includes the details of your company, such as who your customers are, the results of your SWOT analysis, and your USP.
Objective Statement	Identify your short- and long-term goals as well as your strategy on how to achieve them.
Management and Organization	Who runs the business, and what is each person's involvement? Also, what is the legal structure?
Products and Services	What are you selling to your customers, and how does it work? If you have intellectual property, include it here.
Sales and Marketing	How will you reach the eyes of your target customers to effectively sell your products/ services? What strategies will you use?
Funding Request	If you need money to start, this section outlines how much you'll need and for what over the next five years (at least).
Financial Projections	This is where you estimate your sales, income, expenses, and other business collateral, or anything that can easily be sold to satisfy a debt (equipment, real estate, inventory, etc.).
Appendix	This section includes all other miscellaneous documents that may be needed for patent applications, contracts, permits, etc. It will more often be used by those seeking loans.





## SOME FINAL BUSINESS PLAN POINTERS

Before you finish, we beg your attention on the following:

- **STAY REALISTIC.** If you have high hopes for your new small business, that's wonderful! However, your goals and figures should be realistic. (If you'll apply for a loan or look at other funding options, investors can smell from a mile away.)
- **PROOFREAD.** This one is really a no-brainer. Hire a professional copy editor if you're not grammatically inclined. Any orthographic, punctuation, or grammatical errors could trigger red flags for lenders and potential investors.
- **KEEP IT CONCISE.** Both traditional or lean startup business plans should be as concise as humanly possible. Forget about technicalities and industry jargon. If absolutely necessary, drop it in the appendix.

Really, there is no right or wrong way to create a business plan. What's important is that it fits your needs, and that you actually USE IT. What's worse than throwing money out the window? Wasting several hours or days creating a document that collects digital dust.

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# DECIDE ON YOUR BUSINESS STRUCTURE

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OK. You've done your research. You've made your plan. Now what? It's time to look into how you'll structure your business. This is one of THE most important decisions you can make as a small business owner BY FAR. It not only affects the taxes you pay, but also the amount of paperwork you file, how much liability you hold as a person, and how easily you raise funds.

Roll up your sleeves cuz we're diggin' in deep on this one.





# THE MOST COMMON BUSINESS STRUCTURES

HERE ARE THE **MOST COMMON TYPES OF BUSINESS STRUCTURES** ALONG WITH QUICK EXPLANATIONS AND PROS AND CONS OF EACH

## SOLE PROPRIETORSHIP

If you have not legally registered your business as a company, this is where you sit as a freelancer. Truth be told, this is actually where most people begin because it's so common and so easy to form. Basically, as its name suggests, sole proprietorships are owned by one person, and that one person reports all profits and losses on his/her personal tax return.

It is extremely straightforward and easy to start (Helloooooo, you don't have to file any paperwork). Also, there is an abundance of free and cheap resources out there to make sure you're doing it right. However, you're responsible for your business' liabilities, and raising money to fund yourself can be limited.

Many sole proprietors rely on their personal savings or family loans to fund themselves, while others start making money right away and grow slowly.



## PARTNERSHIPS

Partnerships are owned and operated by several individuals. There are a few to pick from:

- **GENERAL PARTNERSHIP.** All partners sign an agreement outlining labor, money, skill, etc. contributed to the business. This includes how they'll share management, profits, losses, and debt, too. It's easier to form when everyone divvies up the work. (Don't partner up with a Karen.)
- **LIMITED PARTNERSHIP.** This type of partnership has both general and limited partners. General partners are the same as before. Limited partners only invest. Because of that, limited partners have no liability in the company, and their losses are limited to how much they put down.
- **LIMITED LIABILITY PARTNERSHIP (LLP).** This is similar to the general, but each partner has no personal liability for negligence caused by another partner. LLPs are super common among doctors, who could get charged with malpractice of their partners.

Partnerships are bomb for their tax benefits. Profits and losses are "passed through" to the individual partners, and each will report his/her share on his/her personal tax return.

However, you're not so easily off the hook when it comes to personal liability. General partners are liable for each other's actions and debts. This means that if one partner takes out a loan, the other partners are legally bound to that loan as well.

(We're warning you not to partner with a Karen. If you don't listen to us, you'll pay the price... literally )

They're also just more expensive to set up since they require more legal counsel and accounting services in comparison to a sole proprietorship.



## CORPORATIONS

Next up we have corporations and their varying types:

- **C CORPORATION.** Also called a regular corporation, a C corporation is considered an entity in itself. It holds certain privileges, rights, and liabilities that sole props and partnerships don't have. It's also taxed differently (more on this below) and allows you to have an unlimited number of people who own parts of the company - known as shareholders - in addition to multiple classes of stock, or equity in the company. In the U.S., this is the preferred entity type for tech startups and if you raise money and venture capital (specifically a Delaware Corporation, which is known for having some of the most founder-friendly laws).
- **NOT FOR PROFIT (NONPROFIT) CORPORATION.** This type of corporation is open to serve public interest. Therefore, it isn't operational to make money for itself and has to follow certain requirements and activities in order to stay legal.
- **S CORPORATION.** Often considered more attractive to small business owners, S corporation profits and losses are passed through to shareholders, meaning owners avoid paying some taxes. There can be up to 100 shareholders, which is great for getting more funding, even if there's only one type of stock allowed to be sold.

But just reading through the list, you can see how creating a corporation is definitely more complex and more expensive than other business structures. It's because it's considered an independent legal entity separate from its owners. Therefore, it has to follow more regulations and tax obligations.

Even so, the liability benefits of corporations are on point. Any debt incurred on behalf of the C corporation by its owners is not personal. This means that if you take a loan out for \$500,000 under your C corporation's name, your personal assets aren't at risk if you fail to repay it. Owners of C corporations can also retain some of the company's profits without paying taxes on them.

## HYBRID

Limited liability companies (LLCs) combine the best of both partnerships and corporations, allowing there to be just one owner as well. They were created to offer business owners liability protection - similar to a corporation - with profits getting taxed on the member level (a.k.a. avoid double taxation). There is also no limitation on the number of shareholders, and owners of the LLC can all fully participate in business operations. (Remember this isn't the case for limited partnerships.)





HOW DO I  
KNOW WHICH  
ONE THOUGHT...



# WHAT TO CONSIDER WHEN DECIDING ON A STRUCTURE

**WE KNOW. WE KNOW.**

But honestly, we would rather lay it all out on the table for you now than have you come across this later and be like wtf, why did no one ever tell me this before? Well, here we are, telling you. Because we're always lookin' out for ya.

Nice talk. Back to biz.

While it is possible to switch business structures later down the road, do your research and decide on what you want now so you can save yourself the headache. Not only would you waste time in legalities, but you'd also spend a pretty penny in the process, too. Not tryna scare you, but doing this part wrong can cause you some serious financial distress, like steep penalty fees from the IRS if you miss quarterly tax payments.



# SO, DO YOURSELF A FAVOR AND ANSWER THE FOLLOWING QUESTIONS BEFORE CHOOSING WHICH STRUCTURE TO OPEN FOR YOUR NEW SMALL BUSINESS.

- Do you want to risk your personal assets? You're dealing with the real world. Lawsuits and defaulted loans can happen. If they do, you probably want to shield your car, bank accounts, etc. from any damage in the crossfire. LLCs and corporations limit members' and shareholders' liability. Sole proprietorships and some partnerships... not so much.
- How do you want your profits taxed? Sole proprietorships, partnerships, S corporations, and LLCs are "pass-through" entities, meaning that profits are reported on the owners' personal tax returns (a.k.a. No double taxation). Because C corporations are separate entities from their owners, they're taxed on the corporate level (a.k.a. Double taxation).
- How formal do you want the management structure? The more owners involved, the more complicated the management structure. All corporations are required to have a board of directors that speaks on behalf of shareholders. Whereas, agreements between partners generally governs what happens in partnerships and LLCs.
- How heavy of admin do you want? Again, the larger the company, the more complex the administration becomes. Noncorporations generally require light paperwork and small fees to set up. The complete opposite is true of corporations. You have to jump through a lot of legal hoops if you want things done right. So, hire a lawyer and/or an accountant to help you.
- What do you see happening in the future? Will you be seeking investments from funders? Do you want to be publicly traded, instead of privately owned? Maybe a C corporation is best for you then. Also, what if you or your co-founder want to retire from the company, or someone passes away? Corporations also live on after these life changes.



**PRO TIP**

If you're feeling up for it, we recommend you wade through the [IRS' legal and tax considerations](#) for each business structure. They won't fail you. Or ya know, ask your accountant. (Yes, you should have your own CPA to make life easier for you as a business owner. **Please don't do this alone**).

# FIGUR YO FINA

You should already have an idea of how much you need to build your

Reminder: There's more than the initial startup costs. Think about funding needed for marketing programs and apps as well as any



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business and what you're going to invest in over the next five years.

to bring you to a point of consistent profitability, like purchasing subscriptions to website costs, to name a couple.

If you see you have enough to get things going today and in the future, you can skip this section and continue on to the next.

For those who need ideas on how to rake in the moolah, here are a few [ways to fund your business endeavour:](#)



### **Business Loans**

Head off to a bank or other credit union to ask for money from a lender. You'll hash out the loan amount, length, interest, and other repayment terms. Our friends at Forbes fill you in on the steps to getting a small business loan.



### **Bartering**

Ever swap your cookies for a pack of Koolaid as a kid? Bartering kind of works the same way. Maybe you're a photographer and need someone to help you build your website. You could swap some photoshoots in exchange for a killer website.



### **Business Grants**

These work exactly like a loan. The key difference is that you don't have to pay the money back. Because they're usually funded by the government and nonprofit research institutions, they can be incredibly difficult to secure. Competition, strict application requirements, ya know. The yoozh.



### **Self-funding**

Dip into your savings, ask friends and family members, and withdrawing from your 401k (if you have one) are all ways you can self-fund your new small business.





### **Business credit cards**

A business credit card works exactly the same as a personal credit card, but it's associated with your business account, obvs. Just make sure whatever you purchase with your new card is paid on a month-to-month basis. Or you're gonna rack up some serious interest.



### **Venture Capitalists**

Remember the show Shark Tank? Yeah, the sharks are venture capitalists (VCs), or investors who choose to fund startups and other small companies in exchange for a percentage of the business. Definitely read up on them before putting your eggs all in their basket - in other words, banking on them to fund you (no pun intended).



### **Crowdfunding**

Popular crowdfunding platforms like IndieGoGo and GoFundMe are all the rage these days for those lacking capital to fuel their innovative ideas. With a legit profile and some possible collateral in exchange, you'll receive donations in no time.



### **Angel Investors**

Similar to VCs, angel investors are individuals who invest in small businesses in hopes to receive a great ROI in the future. However, because they focus more on helping people build their businesses versus immediately profiting, their terms tend to be more reasonable. They're also more likely to invest in businesses just starting out.

Basically, the ways to secure funding as a new small business are as varied as your imagination.

If that wasn't enough for you already, we'll just drop this here, too, before moving on: The Small Business Administration (SBA) offers some programs to help entrepreneurs fund their businesses and get things off on the right foot. So, if this sounds up your alley, check out the [SBA's investment programs](#) to see if your business qualifies for any of them.







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# NAME YOUR BUSINESS

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Before we move along to the next part, where we'll show you how to register your business and make it official, you need to come up with a name.

While yes, technically any name will do, here are some things to think about with the naming process:

- **EASY.** Go for names that are easy to spell and pronounce, not only for your sake, but for everyone else's sake, too.
- **ORIGINAL.** If your business sounds like the million others out there, you're gonna get lost in the sea of competitors. Don't be bland. Be original.
- **SIMPLE TO REMEMBER.** Along the same lines, your business name should also be one that doesn't have your customers thinking: What was the name of that business again? For example, for a web developer named Ash Smith, something simple and catchy could be "Websites by Ash."
- **LEAVES A GOOD FIRST IMPRESSION.** First impressions are hard to shake off. Like, period. So, your business name needs to give off the feelings you want (professional, trustworthy, innovative, whatever).
- **REFLECTS YOUR BUSINESS FOUNDATIONS.** Pull out your USP, target customers, niche, etc. Those come into play here. Make sure your name accurately represents how you've set your business up to be.
- **GIVES AIR TO POTENTIAL GROWTH.** You did the five year plan. You know where you're heading. So, pick a name that reflects not only your current status, but your future direction as well. If you don't, it could limit your business growth.

When you've come up with a few options, test the waters. Pass the shortlisted names to family, friends, potential customers, and others to see what their feedback is.

When you've chosen the perfect one, the next step is registering your business name to make it legal.



# REGISTER YOUR BUSINESS NAME

So, you have your name, and you wanna make it Beyonce official. We'd love it if it'd be as simple as just putting a ring on it. But this is the government, and things aren't that easy (or fun)

We're breaking this section into the three steps you need to know to [register a business name](#). Have your business structure handy for this section, too.

Daylight's a wasting. Let's get going!







# 1. MAKE SURE THE BUSINESS NAME IS AVAILABLE

Remember Ash Smith, the web developer, from earlier in our guide? We're gonna drop him in real quick here. Imagine he spent many nights tossing and turning about whether he should name his company Websites by Ash or Ash Develops. In the end, he finally settled for Websites by Ash. It's simple, easy to remember, unique, and reflects his future business plans.

So he thinks My work is done. The name is mine.

**Wrong!**





Because it would be a bummer if someone legally owned the rights to that name and already formed a company with it. Not to mention having the name splayed across social media, promoting that other person's brand. Reality check: Make sure your business name is available before registering it.

This is what we mean:

- Do a business name search. Start by searching for your business name in your state's Secretary of State website. If someone already snatched it within your state, your filing will be denied.
- Do a domain name search. Check domain (URL) and username availability across over hundreds of sites at once - including social media platforms - using a tool like [Namechk](#). (It's free. No excuses.)
- Do a federal trademark check. If you want to expand your business nationally or online, keep in mind that just registering locally will not offer you brand protection outside of your state. This is where a trademark comes in. The [U.S. Trademark Electronic Search System](#) will help you see if your name is still available.
- Search the web. You've checked locally. You've checked nationally. It'd still be good to cover your bases and check out what's online. Doing this will also help you see what other similar competitors are doing.

## 2. DETERMINE YOUR BUSINESS STRUCTURE'S NEEDS

Just how different business entities have varying liability and taxation rules, they also have different naming requirements.

Here are the naming needs for the common business structures we mentioned earlier:

### SOLE PROPRIETORSHIP

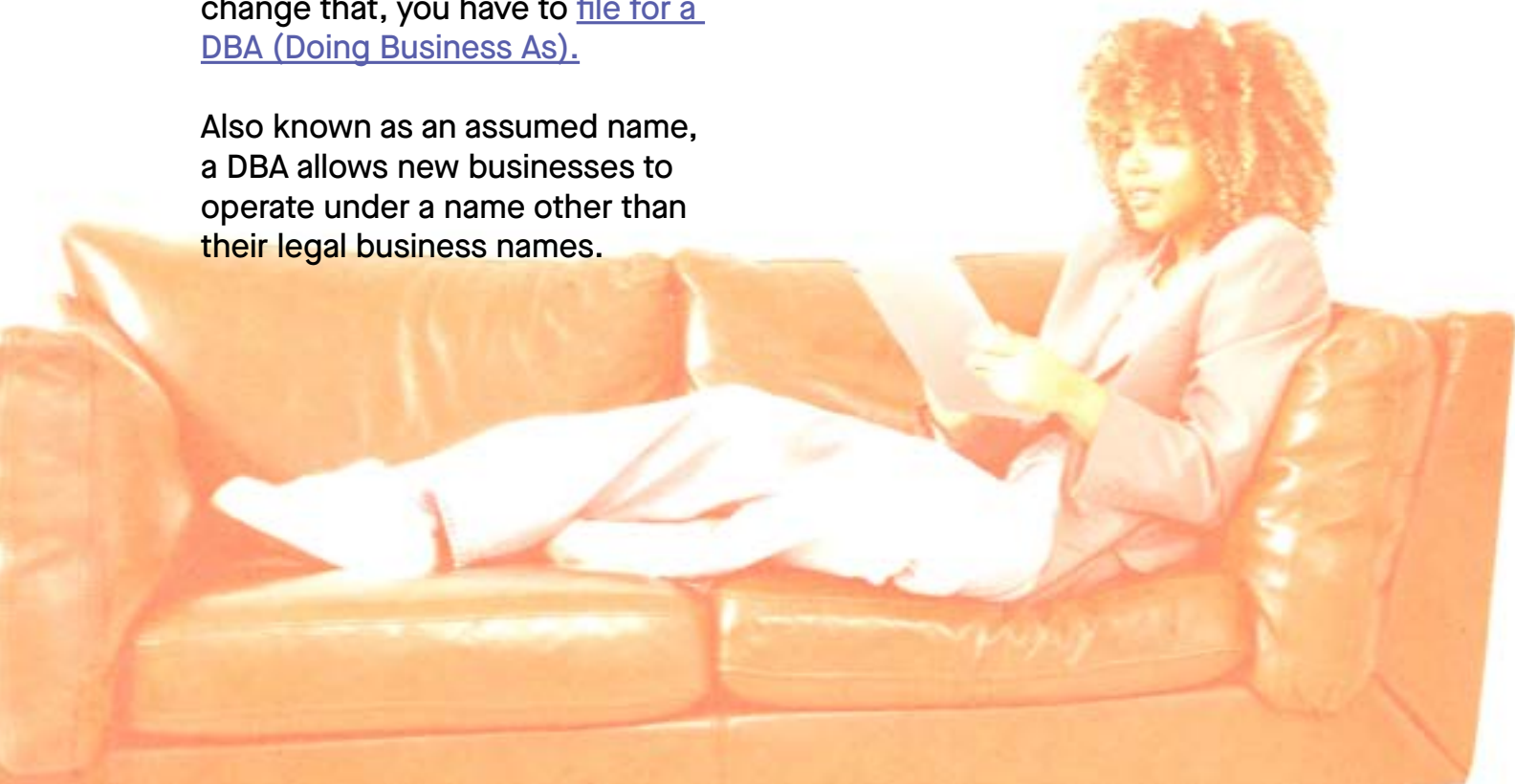
Being the simplest of them all, you don't need to register your business name on the state level - nor federal, for that matter.

Your sole proprietorship will automatically operate under your personal name. If you want to change that, you have to [file for a DBA \(Doing Business As\)](#).

Also known as an assumed name, a DBA allows new businesses to operate under a name other than their legal business names.

### GENERAL PARTNERSHIP

Similar to a sole proprietorship, general partnerships operate under the personal names of the partners. To do otherwise, the partners also have to file a DBA.







## **CORPORATIONS**

Corporations require a unique name that complies with certain naming requirements, such as:

- The name must include any of the following words (or their abbreviation): corporation, company, incorporated, or limited.
- The name has to be distinguishable from other existing businesses in the state.
- The name can't include words that could lead to association/confusion with government agencies (like FBI, State Department, Treasury, etc.).

## **LLCS**

Like corporations, LLCs also require a unique name that meets certain requirements, such as:

- The name must include the phrase "limited liability corporation" or one of its abbreviations (L.L.C. or LLC).
- The name can't include words that could lead to association/confusion with government agencies (like FBI, State Department, Treasury, etc.).
- The name will need additional paperwork done and a licensed professional in the field if containing restricted words (Bank, Attorney, University, etc.).

• With your unique business name that meets all requirements, Mark Cuban from Shark Tank and you are ready to continue.



### **3. REGISTER YOUR BUSINESS NAME WITH THE STATE**

Registering your business name is part of the filing process to declare your business entity a legal company. Depending on where you live, there will be state-specific hoops you'll have to jump through in order to legally register your business name. We're going to cover some of the high-level basics to get you going.

#### **FILE A NAME RESERVATION**

If you're still on the fence about filing for your LLC or corporation, we recommend this option for you before going any further. Filing a name reservation helps you lock down your unique name for future use. Ya know, for when you're ready to make things official. Keep in mind that this step isn't required in order to open a new company or file for a DBA. It just gives you extra security that your name will be there for you while you get your ducks in a row.





**FILE A NAME DBA  
(DOING BUSINESS AS)**

In all honesty, a DBA is mainly good for branding purposes.

As we mentioned earlier, sole proprietorships and general partnerships file for them when they don't want to operate under their personal names. Corporations and LLCs can also use them, but to diversify their brands. Either way, it's recommended that only businesses with low profit and risk file for them.

# FORM AN LLC

When your LLC is filed with your state, your business name will be registered.

So, go through the [five steps to form an LLC](#) so you can lock your name in place:

1. Name your LLC. We've covered how to do this. Soooo, I guess we're done with this step. Just make sure you follow aforementioned requirements
2. Choose a registered agent. This is an individual or company that sends and receives legal paperwork on behalf of your company. S/he must be a resident of the state in which you're filing or a corporation allowed to legally do business in the state.
3. File formation documents. This could also be called Articles of Organization, Certificate of Organization, or Certificate of Formation. It depends on your state.
4. Create an Operating Agreement. This isn't always required to form an LLC, but it's a good idea to have one as it outlines the ownership structure and membership roles.
5. Get an EIN. An EIN, or employer identification number, is the equivalent of a social security number for your LLC. You need it for things like opening business bank accounts and hiring employees later on. Get it for free through the [IRS](#).



# FORM A CORPORATION

Similar to an LLC, when you file your corporation in your state, your business name is automatically registered.

The [five steps to form a corporation](#) are similar to those of an LLC. So, we're going to fly through them:

1. Name your corporation. Again, best practices are up above. Review them so you avoid the headache.
2. Choose a registered agent. This individual or business entity in your state of operation will receive legal and government documents on your behalf. You must appoint one when registering your corporation.
3. Elect your corporation's Initial Directors and Share Structure. Basically, initial directors oversee your corporation until the first shareholders' meeting. Shares of stock are structured into classes, each holding different rights and privileges for those who own them. (We talked about this in Part 1. Don't get glassy-eyed on me here)
4. File formation documents. These documents cover the basics of your newly created corporation, such as its name and address; registered agent's name and address; and number of shares the company can issue.
5. Get an EIN. Just like with an LLC, your EIN, also known as a federal tax identification number, is used to open business bank accounts; file state and federal taxes; and hire employees.

A lot of this may be new to you, and a bit confusing. But we want to let you know you're doing a great job riding along with us (And you can always come back to problem areas later.)

Hang in here with us as we reach the final stretch.

These last steps could be the difference between your booming success or getting sued and going bottoms up (We wish we were kidding, but we're not.)

# LOOK LICENSES & INSURANCE

Even though we're covering online businesses in this guide, online small businesses still need



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**S, PERMITS,**

**RANCE**

eed protection. After all, we're dealing with the real world. It's better to be safe than sorry.



## LET'S START WITH LICENSES AND PERMITS

Licenses and permits come from state and federal agencies, depending on your business' location, activities, and government rules. Most of you reading this won't fall under the business activities that need federal licenses and permits, but the same can't be said for the state level. States usually regulate a wider range of activities in comparison to the federal government.

Here are 5 licenses and permits you may need for your home-based business:

1. General business license. This license allows you to engage in general business activities within your local city or county. Along with this, check local zoning ordinances, fancy talk meaning to see if you can run your business legally in your neighborhood.
2. Professional license. Those who work in professional services - psychology, engineering, law, medicine, etc. - will need a license to operate their business, even if it's online.
3. Health and safety permits. These permits are more so for if you plan on having customers and clients frequent your home to conduct business. If you just sell goods and services online (with no inventory at your house), you most likely won't need this.
4. Sign permit. Size, types, locations, and lighting of business signs are all approved by local ordinances. If you want to post a sign, double check with your apartment complex, condo, or wherever you live first.
5. Sales tax license. This may or may not be a part of the general business license, depending on where you live. This is definitely a license you need because it could cost you tremendously if you operate without it.

In short, industry requirements often vary by state. Be proactive, and visit your state's website to see which ones you need.





## CONSIDER INSURING YOURSELF

Your personal and business assets are protected when you get business insurance. Even if you've filed an LLC or corporation, insurance fills in any unforeseeable gaps after registering for your company.

Depending on your specific situation, you may even be required to purchase insurance. This is what happens with full-time employees because you have to pay workers' compensation, unemployment, disability, and all that jazz.

Either way, it's just good to have, especially if s\*\*\* gets real...

Anyways, we're leaning on the U.S. Small Business Administration again for this one to show you the [6 common kinds of business insurance](#):

1. General liability insurance protects against financial loss because of physical injury, property damage, defending lawsuits, medical costs, libel, slander, all that good stuff. It's a catch-all for any business.
2. Product liability insurance protects you from losing money because of a defective product that led to injury or physical harm. It's for businesses who manufacture, wholesale, distribute, and retail a product.
3. Professional liability insurance protects you from financial loss due to malpractice, errors, and negligence. It's for any business that provides services to customers.
4. Commercial property insurance is for those with a bunch of property and physical assets. It helps ease costs due to property damage from fire, smoke, wind, vandalism, and more.
5. Home-based business insurance can be added to one's homeowner's insurance. It offers protection for some business equipment and liability coverage for third-party injuries.
6. Business owner's policy is the best of all worlds. It's ideal for small business owners, especially home-based ones. It takes the guesswork out of insurance, combining all the typical coverage options into one.

As a general rule, insure what you can't pay for out of pocket.

Think: What sorts of things will your business be at risk for? Lawsuits? Natural disasters?

(The National Federation of Independent Businesses also has some [solid tips to help you choose insurance](#).)

Then, speak with your insurance agent to see what works best for you and your business. You'll need to compare terms and prices, and reevaluate your decision on a yearly basis.

**CINEMATOGRAPHER**

THE ART OF PHOTOGRAPHY AND VISUAL  
STORYTELLING IN A MOTION PICTURE  
CINEMATOGRAPHY COMPREHENS ALL VISUAL  
SCREEN VISUAL ELEMENTS INCLUDING

- LIGHTING
- FRAMING
- COMPOSITION
- CAMERA MOTION
- CAMERA ANGLES
- FILM SELECTION
- LENS CHOICES
- DEPTH OF FIELD
- ZOOM
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# SET UP BACKEND SERVICES

As a small business owner, you'll see there are oodles more backend services to control compared to your freelancing days.

This is especially true if you want to keep your business running smoothly and LEGALLY.

Aside from [having systems in place that help you leverage your time as a freelancer](#) online business owners also have to systemize other backend services, which include:

- Employee benefits (if/when you have them)
- Accounting
- Bookkeeping
- Insurance
- Website maintenance

While accounting and bookkeeping services can be outsourced, it may be better for you to check out software programs that keep track of finances, like [Bench](#), [Bill](#), [Freshbooks](#), [Quickbooks](#), or [Wave](#).

We even took the guesswork out of some of it for you. Check out our Product Review - Accounting Software: Freshbooks vs. Wave.

# PROMOTE THE S\*\*\* OUTTA YOUR NEW BUSINESS

You've researched. You've created the plan. You've registered and filed for your business. Your licenses, permits, and insurance are up to speed, AND you've set up backend systems so you can do your business thang.

Now it gets to the fun part... marketing and promotion! You've gotta get your name out there to keep those leads turning into customers, loyal clients, and brand advocates.

We'll walk you through some key steps in this phase:



## BUILD A WEBSITE

Let me guess. You're probably thinking, "But why do I need to get a website if I can just use social media for free???" Social media is rented ground. You don't own anything published there.

If one day the social media gods decide to lock your account because a group of trolls teamed up and said they should, how are you going to make money? We don't know either.

Now that you're convinced you need one, let's continue on to best practices for creating your website:



## Check out competitors' sites.

You should have done this in the research phase of this guide all the way at the beginning. If you skipped it, here it is again... coming back to haunt you. But for real, checking out their sites can help you see what is and isn't working and give you some decent ideas.

## Create a wireframe

This is website speak for creating the template and writing the copy for your site. It helps improve user experience. Our friends over at DreamHost have cooked up a nifty article for you about how to wireframe a website.

## Optimize it for SEO

There's a reason why there are SEO specialists in this world. The field is extremely extensive. Explaining it all to you would be too much for us rn. So, we've enlisted help from the team at Ahrefs to give you the SEO basics for success.

## Make it aesthetically pleasing

We shouldn't need to tell you this, but a couple things here are worth mentioning. Keep your site clean, simple, and straightforward. Place the menu bar prominently at the top, and learn a bit about how colors play a role in marketing.

## Check the more nitty-gritty aspects.

Is your website mobile friendly? As of October, almost 44% of total web visits are mobile. Does your site load quickly? Check it with programs like WebPagetest or Uptrends. Also, do you have a Terms of Use Agreement and Privacy Policy? A sitemap? (Psst, a lot of this is covered in the Ahrefs article above.)



Just like everything else in getting your business running, you don't have to go it alone.

Website builders like [Weebly](#), [Wix](#), [Squarespace](#), [Webflow](#), and [WordPress](#) often do a lot of the dirty work for you, including figuring out domain registration and hosting.

You just have to plug in your website copy to their premade templates and woolah! You've got yourself a spiffy new site. The only thing left for you to do would be to [publish high-quality, original content](#).



# SET UP YOUR BUSINESS' SOCIAL MEDIA ACCOUNTS

[Having done the buyer persona already](#), you'll know where your target customers are hanging out online. And from following our process to register your business, you found the perfect social media handles.

The only thing left for you is to follow these [simple social media tips for small businesses](#):

## **Start with a plan**

Set measurable objectives for what you want to achieve across all platforms, and create a content calendar for the month. Also, always follow the 80/20 rule. 80% of what you publish is to educate, inform, or entertain. Only 20% should promote your business.

## **Build relationships**

Gone are the days of cold selling. Take your audience "out to dinner" before you sell to them. Talk to those who engage with you. Establish trust, build a loyal following, and gain new, free exposure.





### Share lots of images

Scroll-stopping posts are generally those with a visual component. Why? Everything enters through the eyes. GIFs, memes, stock photos, videos. Have a hay day, but don't skip those pics.

### Choose quality over quantity

Choose a couple platforms where you can create quality content versus spreading crappy content over many. [86% of consumers say authenticity is important](#) when deciding what brands they support. So no fake it 'til you make it here.  
#sorrynotsorry

### Schedule content

We recommend you take that content calendar from earlier and block some time off to schedule your posts all in one go. This will save you time from having to worry about it on a daily basis.

### Partake in social listening

Social listening is taking notice of and responding to mentions of your brand online. It's not only reading up on what others are saying about you, but also taking action on the data you've collected. [Several tools can help you do this with ease.](#)

These best practices are universal across platforms. So, try not to get caught up on the hooplah of it all. What's important is that you start posting. Pay attention to how your content performs, and adjust from there. It's that easy.



# PERFECT YOUR PITCH

In an ideal world, clients and funds would roll in without us having to do anything. But, that's just not how things work. Cold (or if you're lucky, warm) outreach is just another part of the marketing and SALES process. Luckily, pitching doesn't have to feel s\*\*\*\*\* if you do it right.

Follow these tips to set you up for success:

- 01.** Establish authority. People have attention spans of goldfish. If you can drop some (big name) clients you've worked with, partnerships you've secured, etc., you'll keep their attention for longer.
- 02.** Show off. Now is not the time where you keep your best for last. You want to show off all the goods. If you have a course you're selling, link to your page of happy testimonials. If you're a graphic designer, send them links to examples you've done within their industry.
- 03.** Keep it short. When you pitch, you don't have to have the idea 100% figured out. You're just reaching out to get your foot in the door. So, your pitch should be two or three short paragraphs at most. Remember: goldfish.
- 04.** Give ideas. The more you give, the more you get. Let potential customers and clients know what they'd be paying for if they hired you for your services. Provide tactical - over theoretical - advice wherever possible.



Also, it's time for you to start thinking about pitch decks for investors. Create a PowerPoint with 15-20 slides, explaining your company's products, technology, team, etc. Pretty much anything you need to sell your story.

[Forbes](#) shares the following pitch deck do's and don'ts:

## Do's

- Do use compelling graphics and images.
- Do send a PDF version of the PowerPoint to investors before the meeting.
- Do explain why the market opportunity is large.
- Do tell a compelling story that really sells your passion and your business.
- Do show the traction you've gained so far (# of customers, partnerships, etc.).
- Do be consistent throughout the pitch deck (font, color, header styles, etc.).
- Do plan to demo your product - if possible - during the presentation.
- Do have something to be remembered by (video clip, catchy slogan, etc.).
- Do include "Confidential and Proprietary. Copyright by [Name of Company]. [Year]. All Rights Reserved." on the pitch deck cover page.

## DON'TS

- Don't let the pitch deck go beyond 20 slides. Put extra info in an appendix.
- Don't go too deep into finances. They can ask about it later.
- Don't put everything in the slides. Add key info during the presentation.
- Don't use obscure industry jargon.
- Don't underestimate competition. It's healthy to include them.
- Don't overdo the words on your slides, or they'll be an eyesore.
- Don't have outdated info in the pitch deck. Update your deck regularly.

Just like that, your clients and investors will come rolling in.



# HIRE AT

By the time you've grown your business to the level where you can't keep up with incoming work, it's time to outsource. Yes, we're talking expansion, baby! A good way to know what you should outsource is to ask your customers what you're good at, and then outsource the rest.

There are a couple things to keep in mind when hiring employees to make the process run smoother: Headhunt talent online One of the most effective ways to hire is by headhunting, also known as searching for talent.

Do you follow an insanely talented videographer on Twitch? Or a photographer who's got all the best shots on IG?

Do your fair share of stalking to see if they'll make a good fit. Cross reference all of their social platforms, and read testimonials from actual paying clients.

## DO REFERENCE CHECKS

This point can be skipped if you've already head hunted. But for those who want to go the more traditional route, this step is a must. In addition to the standard application the potential hire will fill out, make sure you verify the following:

- Validity of educational degrees and schools attended
- Prior jobs and responsibilities
- Why they left past positions
- Why they want to work with you and your business
- Reference checks with whom they've worked

The point of doing all of this is not only to ensure truthfulness and accuracy, but also to make sure that they'll be a good fit for your culture and business' mission.

The U.S. Equal Employment Opportunity Commission has a super extensive article on [what employers need to know when doing background checks](#). Hit it up.



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## GET THE DOCUMENTATION RIGHT

Finding talented individuals is half the struggle. Now, you need contracts and agreements to make sure things stay legal between all parties involved. Oral agreements are super standard, but we recommend you not. Just do the extra work so there are no misunderstandings.

The basic of the most basic employment agreements include:

- Job title and role
- Who the employee reports to
- If the job is full- or part-time
- Start and end dates (say if position can be terminated whenever without penalty)
- Stock options (if your business structure is a corporation)
- The deets on salary, benefits, bonuses, etc.

Obviously, those who play a more senior role in the business will receive a more detailed employment agreement letter. Likewise, you'll want to make sure that what happens in the business, stays in the business (a.k.a. a confidentiality agreement). Again, here are the high-level basics of what to include in a confidentiality agreement:

- The employee can't disclose any confidential info without authorization
- The business owns all ideas, products, discoveries, etc. the employee creates during his/her employment
- There is no conflict of interest between the employee and any competitors of the company
- The employee has to return all company and intellectual property when the contract ends

Before day 1 at work, all paperwork should be signed by the employee and company. (Paperwork varies between freelancers vs. full-time employers.) For any further questions you have re: the technicalities of paperwork, take some time to check out this article on [key employment issues for startup and emerging companies](#). They even offer a bajillion [free sample templates for business forms and agreements](#).



# PROTECT YOUR INTELLECTUAL PROPERTY

## YOU THOUGHT WE WERE DONE HERE?

Well... almost. We could spend days on these topics (there's a reason why corporate lawyers are still in biz), but we're not going to.

We don't want to bore you, and that's not what this guide is about. But we do have to skim through the basics of protecting your intellectual property before sending you on your way. Not doing so could be the end of your business as you know it. (We're not kidding. Having to file a lawsuit over this stuff is costly.)

Anyways, here's a quick summary of the types of intellectual property protections available:

- **PATENTS.** Patents are used to protect new ideas or processes, preventing anyone other than the owner from making, using, or selling the patented item. You'll need a lawyer to help you draw up the application, which can be expensive and take several years.
- **TRADEMARKS** <sup>TM</sup>. The United States Patent and Trademark Office said it best (obvs). A trademark is a "word, phrase, symbol, and/or design that identifies and distinguishes the source of the goods of one party from those of others." In short, it's a brand name (with or without a logo).
- **SERVICE MARKS.** On the same note, service marks resemble trademarks, but they are used to identify the source of a service, not goods. They are often slogans. For example, the service mark of an interior designer could be "Feel at home."
- **COPYRIGHTS.** Copyrights protect how ideas are expressed and are used for artistic, literary, dramatic, and musical works. This includes movies, songs, novels, poetry, and the like. They give the owner exclusive rights to make copies of the work and distribute it.
- **TRADE SECRETS.** Trade secrets are competitive advantages for businesses. A trade system can be almost anything that's confidential and exclusive to the company, from systems, programs, and procedures to formulas, strategies, or other information. (Coca-Cola's recipe is a trade secret, for example.)

If you're at the stage in your business where you feel like you need to consider protecting your intellectual property, get a better feel for the types and their related costs before diving head first.



# FINALLY, JUST ROCK YOUR BUSINESS!

Wooohooooo! You made it to the end!

And last but not least, there's nothing left for you to do but rock your business.

As you can see, you have your work cut out for you in this first year of your new small business. No one ever said it'd be easy (and if they did, they were a lyin' ), but for those who power through, the returns are endless. We wrote this to be the only resource you need, starting with researching and ending with expanding.

So, dive into each section more in-depth, and really put thought into everything. (The more effort you put in, the more you'll get out. Just saying). Also, try not to get too caught up in the little things that come up along the way, yet always keep your end goal and your why in mind. This will help you weather the storm better when the going gets tough.

Keep your eye on the prize. Keep grinding. You'll be rocking it in no time.

Liked this comprehensive guide? There's PLENTY more where that came from when you [get early access to Boost](#). It's the only work platform you'll need to crush your goals for the coming year(s) of your new small business.







