



Home Business Start-Up Checklist 1-2-3

Every business is different, so all of the steps in this list may not necessarily apply to your business. This is a basic guideline. Want instructions for a specific business type? Use the [1-2-3 Start-Up Guides](#).

1. Before you do anything, you want to research your market to make sure that your business has the opportunity to be profitable. You'll want to look at things like consumer trends, current markets (local, national and international), industry knowledge, competition and future growth.



To get started, there are free market research tools that you can access online, such as FedStats, "Statistics of U.S. Businesses" from the Census Bureau and the Small Business Administration's Office of Economic Research. You can also use free social media tools like Social Mention and HowSociable to find out what your market is saying right now. [Who is Your Target Market?](#)

2. You may need to [check zoning requirements](#) for your business to make sure you can operate in your neighborhood (for example, if you plan to run a group home, day care, commercial cooking business out of your home).

3. [Register your business name](#) with the city or county clerk. Will you operate your business as a sole proprietor or do you want to set up a partnership or corporation? [What is the difference?](#)

4. [Get a business license](#) from your local government office. Requirements vary by city and state, and also the type of business you're starting. You can go into your local office, or some cities allow you to download applications right from their websites. Do you need to [copyright your work](#) or obtain a [patent or trademark](#)?



5. You get a Federal Tax ID Number, or Employer ID Number (EIN), from the IRS. You can apply through their website, by phone, fax or mail. [Apply for a Federal Tax ID Number](#). For fastest service, apply online. It can take up to five weeks to get your EIN if you apply by mail. (You can also apply online through [www.TaxDocuments.com](#) and get your Tax ID # in about 10 minutes)

The EIN you receive is your permanent number and can be used for business tasks such as opening a business bank account, applying for a business license or filing a tax return. (You can also get information at the site about [business income tax, self-employment tax & paying estimated taxes.](#))

If you don't know if you need a Federal Tax ID Number for your business, [answer these questions](#). If you already have a Tax ID Number, but have misplaced it, you can call the Business and Specialty Tax Line at (800) 829-4933 and have them look it up for you.

6. [Open a business bank account](#). You'll want to keep your personal and business finances separate with a separate bank account. This also enables you to write checks from your business account and accept checks made out to your business name. Interview and compare several banks to find the services you want. Business bank accounts are not necessarily any more expensive than a personal account.

7. [Create a business plan](#). Planning your business before you start is important, especially if you need to secure financing. Business plans can be simple or complex, depending on your business. [Business planning software](#) makes the process easier. Bplans.com has over [500 sample business plans](#) in 23 different categories that you can view online for free.



Also, creating a business budget can make managing your business much easier: [Set up a Home Business Budget](#). See also [free budget templates](#) for personal and household budgeting.

8. Obtain any necessary [business financing](#). Getting a business credit card can help you establish business credit.

9. Register with the state for collection of sales tax, if applicable.

10. Register with the city/county for local taxes.

11. Get a payroll book, [accounting software](#) or hire an accountant to handle business bookkeeping. If you decide to purchase software, you can save money if you buy a version that is a few years old rather

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than the latest version. There usually isn't much difference.

12. Lease or buy commercial space for your business. In short, you want to be near complementary businesses that are profitable. Drive around areas that you are interested in. Notice traffic patterns, upcoming planned construction, where your competitors are located and even parking situations.

Working with a commercial real estate broker will help you find vacancies and calculate rents that your business can afford. Commercial leases generally run for five to twenty years, but length of time and price are open to negotiation (see also [more information on commercial leases](#)).

If you need to put together contracts or legal documents of any kind (ie [commercial lease agreement](#)), you can get low-cost online assistance from a variety of qualified [legal services for small businesses](#).

Are you a freelancer or entrepreneur who just needs office space, a professional location to occasionally meet clients or a business address (private, virtual or shared office)? Check out [Virtual Office Space](#)

13. Meet with a local insurance agent about business insurance requirements and options. If you need to find an insurance agent, you can use the IAABA (Independent Insurance Agents & Brokers of America). You can also get [free business insurance quotes and information online](#).

14. Get a [business phone line](#). You may be surprised to find out how cheap it can be to set up a [toll-free 800 phone number](#), a multi-line phone system, VoIP or add an additional phone number to your existing service. You can even find online conferencing services for cheap.



15. Order business cards. Often overlooked, business cards can be a very efficient and low cost advertising method. See how you can design your own professional business cards online >> [Free Business Cards](#). See also: [30-50% off Postcards, Brochures and more](#) Design your own marketing pieces online - templates are provided and the printing is done for you.

16. Get office supplies, software, computers, printers, paper, telephones, store display fixtures, whiteboards, office furniture, filing and storage, promotional supplies, cleaning products and other business necessities. I've found that [Staples](#) has really low prices on their store brand, and you can earn 10% back with their free rewards program. (They offer free shipping for most online purchases).

17. [Buy a domain name](#) and get a website. Even if you don't sell any products or services online, a website can be a way for customers to find you and get information on your business. Save money by [creating your own website](#) with simple online design programs, or outsource the job to an [affordable website designer](#).

18. Set up a [credit card merchant account](#). If you're handling transactions online and want to save money, you can sign up for a merchant account with PayPal for free. There are no monthly fees; you pay only per transaction. Payments are made through their secure server, so you don't have to have your own.



19. [Hire employees](#), if applicable

20. Submit a press release to your local paper and online distribution service about the opening of your business. This can mean free publicity for your business instead of having to pay for advertising - and you can even [write your own press release](#).

21. Start getting new customers: [31 Marketing Tips](#)



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