



## **Steps To Forming a Business Entity**

### **1. Select, Register and Trademark Your Business Name**

Most business owners start out with a business name, but before you solidify that name by putting it in a logo, on business cards, and on your website, make sure it will be a good name for many years. Selecting a name, registering that name, and possibly trade marking the name mean that you have made a commitment to that name

### **2. Find a Business Location**

Unless you are working out of your home, you will need a location for your business. It might be an office or a retail space or a warehouse.

### **3. Select Your Business Legal Type**

The types of entities range from the simplest sole proprietorship, through partnerships and limited liability companies, to the complicated corporation and s-corporation forms.

### **4. Apply for Your Tax ID Number (Employer ID)**

One of the first steps in business start-up, after you have a name and a business address and you know your legal form, is to fill out a tax identification application (sometimes called an employer ID. This number acts as your unique business identifier on all types of registrations and documents, and most banks want you to have this number before you can set up a business checking account and apply for a loan.

### **5. Apply to Your State for a Sales Tax Permit (for Taxable Items and Services)**

If you are selling any products or services that are subject to sales tax in your state, you must collect tax from customers and pay the state back that tax.

### **6. Get a Business Checking Account**

After you have applied for your tax ID number, you can use that number to set up a business checking account.

### **7. Obtain Local Licenses and Permits**

Learn about what local licenses and permits you might need to apply for during the start-up of your business.

#### **8. Create a Marketing Plan for Your Business**

Before you can start selling your products or services, you will need to put together a plan detailing exactly what you are selling, who you are selling to, defining your competition, and defining exactly how you will advertise and promote your products/services during your first year of business and beyond. Having a marketing plan in place will help a potential lender see that you are serious about selling and it will give you a plan of attack to work from as you get started.

### **Using the Internet To Promote Business**

**The telephone book, just like the payphone, has all but disappeared. Consumers have turned to Internet search for their needs related to services and products, their locations, phone numbers and increasingly reviews posted by other consumers who share their experience with a business, product or service in the form of a review.**

**Developing a presence and marketing plan on the Internet is essential for the success of a business enterprise.**