

# Small Biz Start-Up Guide:

*“There is no perfect time, but wasted time paves the road of regret.” -TC*



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## **Introduction**

Starting a small business can be one of the most exciting—and daunting—things you'll ever do. Whether you're driven by passion, a desire for independence, or the hope of financial freedom, this guide will walk you through the essential steps to turn your idea into a reality.

Nearly every single one of us has contemplated starting a business, or at least we've dreamed of taking control of our own destiny and removing ourselves from the traditional workplace. If you've downloaded this guide, something has ignited a curiosity within you to at least investigate the possibility of shifting a dream into an actionable plan toward entrepreneurship.

Congratulations! Curiosity and a desire to investigate are key ingredients in successful entrepreneurship!

In the following pages, you'll learn how to research your market, write a business plan, legally register your company, build a brand, and more.

## Step 1 – Identify Your Business Idea

Since 1992, I've met with entrepreneurs and prospective small business owners. While our team has incredible skills and a deep knowledge base, there is ONE frequent question that we are not qualified to answer: ***“What kind of business should I start?”***

The nature and intent of YOUR BUSINESS is a deeply personal decision and can only be determined by YOU.

At ThomasAndrew, we believe in two driving forces that don't fit the typical matrix of Start-Up Guides like this one...mindset and purpose. So, before we jump into the traditional dialogue of what you want to do, let's do a little self-reflection.

Entrepreneurship is wildly rewarding, but it's also challenging.

Firstly, we believe **MINDSET** is a critical ingredient in your future success. Do you get discouraged easily? Does making decisions wear you down? Do you often feel defeated? If so, entrepreneurship may not be your thing. See...starting a business places YOU directly in the driver seat and bullseye of everything that can flourish as well as everything that can stumble...and there will be stumbles. The trick is to be so confident in your dream, your ability, and your willingness to ask for help, that you have little reason to doubt yourself. A clear, positive, and appreciative mindset can take you farther than perhaps any business plan!

Secondly, we believe **PURPOSE** is an intrinsic driver of success. While the purpose of your business...what it does...is vitally important, a greater question and marker of success is ***WHY DO YOU DO WHAT YOU DO?*** What is the real purpose that's motivating you toward this endeavor?

Is it to create a better life for you and your family? Is it to place your career 100% on your terms with hours, activities, and products/services that greatly interest you? Have you discovered a better mousetrap and now it's time to capitalize? Is your purpose to create a better workplace for others? Regardless, the reason for this business is something that's deep inside you...it keeps you awake at night and keeps you excited during the day. We all have our purpose for entrepreneurship...be certain to never forget it.

OK, let's get into the more traditional stuff.

Every business starts with an idea. Spend a few moments contemplating the following questions:

- **What are you passionate about?** Again, if you're not completely over-the-moon on your business idea, how will your customers/clients become passionate enough about it to pay you for whatever it is?
- **What problems can you solve?** Here's a quick sales lesson. People buy goods/services to alleviate a point of pain. Simply put, the psychology of buying is directly tied to making someone feel better about something. So again, what pain does your product/service eliminate?
- **Is there a demand for your product or service?** While important for revenue, this is another question that should be viewed as a bit of self-evaluation. In short, are enough potential buyers interested in your product/service that your business can be self-sustaining. If your favorite thing in the world is spaghetti ice cream, are you able to recognize that it might be a hard sell for a lot of people? Recognizing our personal uniqueness verses market demand is important. Sometimes it's difficult to be honest with ourselves...but when it comes to entrepreneurship, we have to be honest with ourselves!

**Tip: Combine your skills, interests, and experience to find a profitable niche.**

## Step 2 – Conduct Market Research

Once you've identified your business idea, validate it. The following simple questions are very important:

- **Who are your target customers?** Where will they come from? How will you locate them? Why will they choose your enterprise vs another offering?
- **What are their needs and pain points?** What are they looking for? What can you do to add value to solving their needs vs whatever is currently available to them?
- **Who are your competitors?** Are they successful? Why are they or are they not successful? What makes the competition attractive? What aspects of the business are current competitors lagging? What can you do that rapidly places your business as a viable option to existing offerings?

You can use the following tools to assist in market research:

- **Surveys and interviews:** Special Note about this one...surveys and interviews can be very powerful, but few entrepreneurs take the time to perform them. This “straight from the source” feedback of prospective customers and current customers of potential competitors is brilliant. Let's say you're interested in a coffee shop and are surveying customers of existing coffee shops...they will tell you exactly what they desire and it might not be what you think. Heck, it might not even have anything to do with coffee...*“how about a hook to hang coats/purses/hats or a charging outlet at every booth?”* It's the solution to little comments that can create a massive following.
- **Social media:** More people utilize social media to attain their news than traditional news sources. Mobile devices have created convenience, and you need to be there.
- **Competitor analysis:** Create a chart identifying your potential competition. What's great, what's not so great, why do customers rely on them, hours of operation, prices, etc. These are things to consider when determining your entry to the market.

**Understanding your market helps reduce risk and guide smart decisions.**

### Step 3 – Write a Business Plan

A business plan is your navigation device for what you want to do and how you will execute it. The plan not only serves as a visioning document, but also as a living breathing testament to the general operation of your enterprise. As your business changes, the business plan should be updated to reflect such changes.

A well-written business plan can be your guidebook. It can even settle disputes or answer questions as your business advances and encounters challenges.

Another critical value of the business plan is that it conveys who you are, what you do and how you manage all business activities. This is a monumental document for banks, financial institutions and investors who may be considering contributing or lending toward your operation. In other words, if you ever need a loan, banks and/or investors will ask for your business plan up front.

**Sidenote:** ThomasAndrew can assist you in crafting a business plan suitable for loan applications. Heck, we can even fully prepare you for lender meetings. If you can show up to a bank with all the homework completed...you're already much farther along than most of the applicants they see. **This is a small move that leaves a BIG impression!**

**ALSO...**there are many AI business plan generators. We feel strongly that a business plan is not simply a box to check, but is an elemental component of getting your business off on the right track. While AI is helpful, the development of a business plan should come from **YOUR THOUGHTS, EFFORTS, AND IDEAS**. This is **YOUR BUSINESS**, so be certain it is **YOUR BUSINESS PLAN**. It's also important to note that while AI pulls from a massive data set, it's also a finite data set and the odds of your AI business plan closely resembling a multitude of other business plans is measurable. Nothing says *"I'm being lazy"* like submitting a less than unique business plan to someone you're attempting to obtain a loan from.

Your business plan should include:

- **Executive summary:** A couple of paragraphs summarizing the entire plan, identifying leadership, staff requirements, and location.
- **Business description:** What exactly do you want to do? Why will it be successful? A description of your products/services. Who are your target customers? Identify the competitive advantage you will have relative to other similar offerings in the marketplace.
- **Leadership and staffing:** What are your qualifications and expertise as the owner of this entity? Who will assist in advising you about those business items you may not

have great familiarity? (HINT: ThomasAndrew can help) Create an organization chart demonstrating who will perform what tasks and how many employees you will need.

- **Market analysis:** Who are your competitors? What's great and not so great about them? How will you bridge the gap between market demand and market availability?
- **Marketing and sales plan:** How will you uniquely identify, attract and retain your customers? While a variety of "off the shelf" offerings provide easy marketing tools, such tools have become mainstream and many marketing efforts seem to blend you into the competition rather than allowing you to stand out. Sincerity, humility, and raw marketing efforts tend to hit the hearts (and wallets) of consumers.
- **Financial projections:** This is where the proverbial rubber meets the road, especially if you will be seeking funding from a third party. The creation of pro forma financial statements demonstrating a realistic one, three and five-year projection of income and expenses is absolutely important. The statements should show your original capital investment to get the business off the ground, estimated sales revenues, estimated expenses relative to the cost of doing business (utilities, supplies, materials, etc) and the cost of labor, insurance and healthcare. Let's not forget the owners draw...how you get paid. Again, ThomasAndrew can work closely with you in creating the financial projections for the business plan.
- **Funding request:** If you are seeking funding from investors or a traditional lending source, this is where you will discuss the funds you will need and specifically how you will utilize them. Are the requested funds for working capital, furniture, fixtures, equipment or for something altogether different? ThomasAndrew can assist in identifying funding mechanisms that may make the most sense. This includes an evaluation of traditional "bank loans" vs loans specifically designed to assist entrepreneurs. These may include loans partially guaranteed through the Small Business Administration or other sources (7A, 504, Low Documentation, Express or Micro Loans). Such loans are almost always conducted through a local bank, but the banks are guaranteed a relatively high percentage by the government or other parties. This allows the bank to have very little risk exposure and allows your loan to be much more attractive.
- **Operations plan:** The operations plan identifies how your business functions under a much closer lens than the rest of the business plan. Who performs each task within the organization? Using a coffee shop example, who greets guests, who takes the order, who fulfills the order, who cleans the store, who performs accounting,

payroll, and who orders supplies? That's a very quick and partial example, but the operations plan should emphasize what processes must be adhered to host a successful and complete business. What timelines will you utilize as performance benchmarks and what are they? Number of products sold (volume), revenue (value), time-per-customer (efficiency), and/or profitability. Demonstrate how these (or more applicable) metrics can improve over time and when you desire to see improvement. How will these be measured and at what frequency will they be evaluated and re-evaluated? This is the true operational blood and guts of your operation!



## Step 4 – Choose a Business Structure

When starting a business, selecting your legal structure is essential, as it impacts liability, taxation, and management. Here's an overview of typical legal structures:

### Sole Proprietorship

- *Description:* The simplest form, where the business is owned and operated by one individual.
- *Advantages:* Easy to set up, minimal costs, and direct control of the business.
- *Disadvantages:* Unlimited personal liability for debts and obligations, and harder to raise capital.

### Partnership

- *Description:* A business owned by two or more people. Types include general partnerships (GPs) and limited partnerships (LPs).
- *Advantages:* Easy to establish, shared responsibilities, and combined resources.
- *Disadvantages:* Joint liability (in GPs), potential conflicts, and shared profits.

### Limited Liability Company (LLC)

- *Description:* A hybrid structure combining the benefits of a corporation and a partnership/sole proprietorship.
- *Advantages:* Limited liability for owners, pass-through taxation, and flexible management.
- *Disadvantages:* Can be complex to form and maintain in some states; **however**, in states like Missouri, they can be formed through the Secretary of State's website in less than 20 minutes for a nominal fee.

### Corporation (C-Corp)

- *Description:* A legal entity separate from its owners, allowing the business to own assets, incur liabilities, and more.
- *Advantages:* Limited liability for shareholders, ability to raise significant capital through shares.
- *Disadvantages:* Double taxation (corporate income and shareholder dividends) and extensive regulatory requirements.

## **S Corporation (S-Corp)**

- *Description:* A special type of corporation designed to avoid double taxation.
- *Advantages:* Pass-through taxation and limited liability.
- *Disadvantages:* Strict eligibility requirements (e.g., limited number of shareholders).

## **Nonprofit Organization**

- *Description:* A business entity created for charitable, educational, or similar purposes, exempt from many taxes.
- *Advantages:* Tax-exempt status, potential for grants and donations.
- *Disadvantages:* Strict compliance with regulations and restrictions on operations.

Choosing the right structure depends on your business goals, risk tolerance, and financial needs.

***\*If you are contemplating anything aside from a Sole Proprietorship, Partnership or Limited Liability Corporation, ThomasAndrew strongly suggests you consult an accountant or legal advisor to assure your needs are being met and all regulatory requirements are satisfied.***

## Step 5 – Register Your Business

Legalize your business:

While not a tedious process, becoming a legal entity is an important step that eases future business transactions and prepares for encounters (like taxes) with local, state, and federal entities.

- **Choose a name and check availability:** Your Secretary of State should have a dedicated website for business entity creation or searching. You can determine if a business with your name or a similar name exists in your state. Once you validate the availability of your business name, we strongly suggest you perform a domain search for available websites prior to going “all in” on a business name. Ideally, your business name and web address are quite similar to allow your customers and interested parties an easy means to find you.
- **Register with your state/local authorities:** You will need to register your business with the Secretary of State’s office of your state. Often times, this process also allows you to form your legal entity and obtain articles of organization. Your state may also require that you complete a fictitious name registration. This is typically of very low cost and simply ties your name to your business name. Of note, these are items you will need to periodically check on, perhaps annually as few states send reminders about expiration dates.
- **Get an EIN (Employer Identification Number):** You may be required to obtain a State Tax ID number from your state’s Department of Revenue. Often times, sole proprietorships and LLC’s do not need this measure as state taxes can be tied to your social security number. **All entities will need a Federal Tax Identification Number (FEIN).** Once you have completed the registration with your state, you can simply visit <https://www.irs.gov/businesses/small-businesses-self-employed/get-an-employer-identification-number> to obtain the FEIN. This process takes just a few minutes and your FEIN is typically emailed to you within one-day. The FEIN is important when filing federal taxes.
- **Apply for necessary licenses or permits:** Depending upon your particular business you may need special licenses or permits for your entity. If you are selling retail products that will be subject to sales tax, you need to investigate obtaining a state and local sales tax license. ThomasAndrew suggests contacting the Planning and Zoning Department of your municipality to determine any special permits that may be required for your entity. Such regulatory permits or considerations may

include business license, liquor licenses, sign permits, zoning requirements, occupancy permits, etc.

**\*ThomasAndrew is happy to assist with these items as we are not only entrepreneurs but also have deep experience working inside and operating local governments. In other words, we know what to ask and how to mitigate the inconvenience of such items.**

This step ensures you're operating legally and sets you up for taxes and banking. Wherever you choose to host banking services will require that you provide the state registrations and FEIN. **Do those things BEFORE going to the bank.**

## Step 6 – Set Up Finances

Separate business and personal finances to avoid co-mingling and confusing funds.

Quick Steps:

- **Open a business bank account at a bank of your choice.** As a reminder, the bank will want to see your business registration from the state, your articles of organization, fictitious name registration, and your Federal Tax Identification number (FEIN). Be certain to ask about minimum balance requirements, transaction fees, etc. It's your money, be certain the cost of banking is low.
- **Get a business credit card.** This can be through your bank or any other credit entity. Be certain to shop for reasonable interest rates and reward programs that compliment your business goals.
- **Set up accounting software** (like QuickBooks or Wave). For single-person entities, you can create your own accounting documentation via Excel or Google Worksheets.
- **Understand your tax obligations.** Knowing when and how to pay your taxes is important. Visit your state's website on taxation or speak with an accounting professional for clarification.

Staying financially organized helps you avoid trouble and make better decisions.

## Step 7 – Develop Your Brand

Your brand is how customers see you. Build it intentionally:

- **Choose a name and logo** that reflects how you want to be seen and recognized.
- **Create a tagline or mission** that demonstrates the action, satisfaction or value you provide.
- **Pick brand colors and fonts** that exude the image you desire to portray.
- **Define your voice and tone.** High energy, relaxed, professional?

Create a brand that reflects your values and appeals to your ideal customer.

## Step 8 – Create a Website and Online Presence

Every business needs a digital home:

- Buy a domain name
- Build a professional website or pay someone to do it for you. Regardless, **YOU need to be responsible for your content, layout, and images. This is YOUR business and YOUR image.**
- Set up social media profiles (Instagram, Facebook, LinkedIn, TikTok, etc.)
- Consider Google My Business for local reach

Be findable and trustworthy online.

## **Step 9 – Marketing Your Business**

Marketing a new business requires a strategic and multi-faceted approach to effectively reach and engage the target audience. Begin by identifying your ideal customer and understanding their preferences, habits, and needs. This insight allows you to craft a compelling value proposition that highlights the unique aspects of your business. Develop a strong brand identity—complete with a logo, tagline, and consistent visual elements—to establish recognition and credibility.

Launch a professional website optimized for user experience and search engine visibility, ensuring it serves as a central hub for information and engagement. Utilize social media platforms strategically by creating tailored content that resonates with your audience, fostering connections and encouraging shares. Combining these efforts with a well-planned email marketing campaign can help build relationships and maintain regular communication.

In addition to digital marketing, explore community-focused outreach to build local awareness and loyalty. Participate in local events, sponsor community initiatives, or collaborate with nearby businesses to create a positive brand presence. Offering free workshops or informational sessions can position your business as a trusted resource, fostering goodwill among potential customers.

Make use of referral programs and testimonials to amplify word-of-mouth marketing, leveraging existing networks to attract new clients. By combining online strategies with in-person efforts, you create a balanced and comprehensive marketing approach that drives sustainable growth. The key is consistency, creativity, and a deep understanding of your audience's needs.

No customers = no business. Market your brand.

- Use social media
- Start an email distribution list and/or utilize Customer Relationship Management (CRM) software/apps.
- Offer promotions to entice customers
- Network and attend events like neighborhood associations and chambers of commerce
- Run paid ads (Google, Facebook, etc)

Be consistent, track what works, and keep improving.



## **Step 10 – Launch and Learn**

Time to go live!

- Announce your launch (email, social media, word of mouth)
- Offer an incentive for first customers
- Ask for feedback and reviews
- Be ready to adapt

Your first version won't be perfect—but progress is better than perfection.

## **Common Mistakes to Avoid**

- Waiting too long to start
- Not validating your idea
- Undervaluing your time or services
- Ignoring customer feedback
- Doing everything alone

Mistakes are part of the journey—just make sure you learn from them.

## **Final Thoughts**

Starting a small business isn't easy—but it's worth it. With clear goals, persistence, and the right tools, you can build something meaningful and profitable to serve as a legacy for future generations.

**ThomasAndrew Small Business Advisors has designed this Start-Up Guide as a means to assist in organizing your thoughts as you pursue the creation of your business. Please visit [www.THOMAS-ANDREW.org](http://www.THOMAS-ANDREW.org) to see how else we can assist in being a valuable partner in your journey of entrepreneurship!**