

BUSINESS START-UP TOOLKIT

Prepared by

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1. Is business ownership for you?

- Check out books about starting a business from the Duke Street Business Center (DSBC) and/or a *Business Start-up Book Bag* (BAG 658.11 BUS) from any Lancaster County public library. To reserve a specific item - search the online catalog at <http://catalog.lancasterlibraries.org>, click "Request" at the top of the full page entry for the item and complete the online E-Reserve verification form.
- Check the DSBC online program schedule at <http://dsbc.eventbrite.com/> for the next scheduled date for our *Small Business Start-up Essentials: What You Need to Know* First class and register online or at the Business Center. SCORE also offers two preliminary classes - *Fundamentals of Small Business* and *Startup Basics* to help determine if you could be a successful business person. Contact Lancaster County SCORE at 717-397-3092 or register online at www.scorelancaster.org.
- For business start-up basics - consult the U.S. Small Business Administration website at www.sba.gov under *Starting and Managing a Business* including a "Starting Up Assessment Tool" at <http://tinyurl.com/cpxx837> and other online training under *Counseling and Training*. The *Entrepreneur* magazine website www.entrepreneur.com also contains valuable start-up information.
- Download the PA Department of Revenue's *Starting a Business in Pennsylvania* at <http://tinyurl.com/bqvyqwx> and/or the PA Department of Community and Economic Development's *Entrepreneur's Guide* link at <http://www.newpa.com/build-your-business/start/before-you-begin>

2. Determine the type of business you want to start and research your market

- If you do not already have a business idea - browse the collection of guides for starting specific businesses found at the Duke Street Business Center and/or search online for trend information including *Entrepreneur's "Business Ideas"* page at - <http://www.entrepreneur.com/startingabusiness/businessideas/index.html>
- Conduct market research to determine if there is a market for your product or service. This may require a phone or written survey to potential customers for your product or service (for a niche business) or national and local industry trend and forecast information for a more traditional business.

Business Reference Librarians Available to Guide You

Call the Duke Street Business Center at Lancaster Public Library at 717-394-2651 x131 to schedule an appointment with a specially trained business librarian who will guide you through the market research process. This is a free library service for start-ups. For DSBC hours and information click www.lancaster.lib.pa.us/dsbc.

Industry information can be found by:

1) searching licensed databases such as **First Research**,* 2) searching for trend information on websites of associations in your particular industry and/or 3) gathering industry information from the most recent U.S. Census Bureau's Economic Census found at <http://www.census.gov/econ/>. The Economic Census of business is conducted every 5 years in years ending with "2" and "7."

- Who is your target market?
After determining who will buy your product or service and the geographic location of your market, you can find demographic market size statistics by searching licensed GIS systems such as **Simply Map**,* or by searching the U.S. Census Bureau's American Fact Finder website. This website found at <http://factfinder2.census.gov/> allows you to search the Decennial Census as well as the most current American Community Survey for statistics at the national, regional, state, county, county subdivision, census tract, block group, place, MSA and other levels. Need help determining your target market? If so, check the most recent edition of *Best Customers* (BUSREF 339.47 BES) found in the Duke Street Business Center.
- Who is your competition?
Use a database such as **ReferenceUSA*** to create a list of your competitors.

Logon Instructions for Remote Access Databases

*These databases can be accessed via your home or office Internet connection with a current Library System of Lancaster County library card. To access these databases remotely - go to www.lancasterlibraries.org. On the left navigation bar click "Online Resources." Then, on the Patron Authentication page, enter the barcode number located on the back of your library card, click "Go to Online Resources" and scroll down and click on the logo for the database of your choice.

3. Consult with business professionals

- Select and retain an attorney
- Select and retain an accountant
- Select and retain an insurance agent

4. Determine the legal structure for your business

- Collect information about the various business structures and then consult with your attorney and accountant before making this important decision.

Business legal structures include:

- Sole proprietorship
- Partnership
- LLC (Limited Liability Company)
- S Corporation
- Corporation

- Consult the *Legal Guide for Starting and Running a Small Business* and other books about specific legal structures at Duke Street Business Center and/or check <http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Business-Structures> (IRS website).

5. Choose your business name

- Determine if your business name is available in PA by searching the database at - www.corporations.state.pa.us/corp/soskb/csearch.asp?corpsNav= (Note: If a name you select is registered as a “Fictitious Name” it may still be available for use if you are registering as a sole proprietor and not in the same geographic area as a previous registrant. Names already registered as an LLC or Corporation are exclusive and will not generally be available for use in Pennsylvania.)

Fictitious Names – “A fictitious name is any assumed name, style or designation other than the proper name of the entity using such name. The surname of a person, standing alone or coupled with words that describe the business, is not a fictitious business name.” (Names such as Weaver’s Painting, where Weaver is your last name, do not require fictitious name registration). For further details on this topic, click http://www.portal.state.pa.us/portal/server.pt/community/corporations/12457/x_fictitious_names/571874.

Business name registration (including Fictitious Name registration for a sole proprietorship) is part of the online registration process, **if you use the OBRI method of online registration** (see #6 below) with the fee payable by credit card or check. Since name registration is exclusive for LLCs and Corporations, it is part of the registration process and does not require a separate Fictitious Name application.

You may also register a Fictitious Name by mail by using the form at - <http://www.dos.state.pa.us/portal/server.pt/community/corporations/12457/forms/571880>.

- Domain name – check www.internic.net/whois.html or www.domaintools.com to see if your proposed website domain name is available.
- Conduct a trademark search – check www.uspto.gov (and under **Trademarks** click “Trademark Search” to see if your potential business name may conflict with an existing national trademark. (Note: Even though a business name is not a trademark, if the same name or a similar derivative is used on a registered product or service in the same industry, you may open the door for future trademark infringement violations. Conducting a trademark search is a good preliminary screening process. If there is any possibility of trademark infringement and you want to continue to pursue the use of a name, it is advised that you seek legal counsel.)

6. Register your business, investigate zoning and special licenses

- Most businesses in Pennsylvania must be registered with the state. The only known exception is a sole proprietorship with no employees that does not use a fictitious name and does not sell any sales taxable goods or services.

Register your business through your attorney or online (recommended for sole proprietorships or single-member LLCs only) at <http://www.pabizonline.com/online-business-registration>.

(Note: If you are registering as a “sole proprietorship” and not registering a fictitious name, you may use the “Online PA-100” rather than the “OBRI”).

Sales Tax License - Online registration using either the OBRI or Online PA-100 will include registration for your sales tax number (if applicable). Note: during the registration process, check “Sales, Use & Hotel Tax” if you will be selling taxable goods or services directly to consumers. Pennsylvania issues both Sales Tax Licenses and Wholesaler’s Certificates. Those who make taxable sales to the ultimate consumer are required to have a Sales Tax License. Those who **only** sell to retailers can apply for a Wholesaler’s Certificate.

Click on the link on the bottom of the following web page to see or download a copy of *A Guide to Business Registration in Pennsylvania* (includes registration fees)–
http://www.dos.state.pa.us/portal/server.pt/community/corporation_bureau/12457.

- **Special licenses** – in addition, many types of businesses also require special state licenses, permits or certification such as businesses involved in:
 - Alcohol Sales –
http://www.lcb.state.pa.us/portal/server.pt/community/applications_and_forms/17493
 - Contractors (residential home improvement contractors with calendar year income greater than or equal to \$5,000; also applicable to installation or improvement of landscaping, driveways, fences, pools, etc.) - www.attorneygeneral.gov/hic.aspx
 - Drug, Device and Cosmetic Manufacturing registration –
<http://app1.health.state.pa.us/ddc/MainMenu.asp>
 - Retail Food Facilities and Restaurants –<http://tinyurl.com/cymbw6r>
 - Food Employee Certification – <http://tinyurl.com/5vj5qps>
 - Misc. Licenses (including those for elevator inspections, fire & panic inspections, making stuffed toys, etc.) –
http://www.portal.state.pa.us/portal/server.pt/community/occupational_and_industrial_safety/10509/licenses%2C_permits%2C_certifications_and_variances/553493

If uncertain if your type of business requires special state licensing, contact the PA Center for Entrepreneurial Assistance at 800-280-3801.

- Determine zoning allowances and restrictions for your business location by contacting your local city, borough or township office.
- Also, check with the city, borough or township office where your business will be located to determine if any local licenses are required for your type of business. See the “select municipality” menu option on the Lancaster County website at - www.co.lancaster.pa.us for links to all county municipality websites.

Lancaster City business license and permit info can be found at -
<http://www.cityoflancasterpa.com/lancastercity/cwp/view.asp?a=1187&q=615555>.
See Zoning Permits – Application for Use & Occupancy Permit for home-based business permit (Impact Home Occupation)

Note that there are no county level business licenses required in Lancaster County (though that may or may not be the case in other PA counties).

7. Obtain your EIN and open a business bank account .

- Obtain an EIN (Employer Identification Number) - This is your registration with the IRS for income tax purposes and does not register you to collect PA state sales tax or obtain tax exemption for buying goods wholesale to resell retail.

Note: If your business legal structure is a sole proprietorship, you may choose to either use your personal social security number as your EIN (and skip this step). Or, to eliminate publicizing your personal social security number on invoices to clients, etc., you may wish to obtain an EIN that is transparently connected to your social security number by the IRS.

To apply online – click “Apply Online Now” near the bottom of this page -
<http://tinyurl.com/9qdheac> or print out a SS-4 form at www.irs.gov/pub/irs-pdf/fss4.pdf to mail. **There is no fee for an EIN.**

- Open a business bank account (You normally will need an EIN to open an account).

8. Determine your startup costs and projected monthly income and expenses

- Consult *RMA Annual Statement Studies* (REF 338.0973 ANN at the Duke Street Business Center) or the **First Research** database to find financial ratio benchmarks for your type of business. RMA is also available by doing an “Industry Search” in the **OneSource** database (which can be accessed via the **ReferenceUSA** database menu - see database logon instructions under #2).
- Equipment, furniture, supplies--check local suppliers and/or online sources including www.thomasnet.com for names of equipment manufacturers & distributors.
- Inventory--determine how much inventory you need to start your business and locate pricing by contacting wholesalers for your products (some will have online catalogs).
- Location, including lease or purchase--check local commercial realtors for pricing and/or search <http://www.pasitesearch.com/>.
- Projected monthly expenses (you may find that a sample business plan for a similar business to be an useful resource to get you started - see #9 below).
- Staffing (determine wage scales for types of jobs by consulting government websites):
 - The U.S. Department of Labor has two comprehensive websites -
 - 1) Bureau of Labor Statistics - www.bls.gov (see “Pay & Benefits” page under the “Subject Areas” tab)
 - 2) Onet (Occupational Information Network) – <http://online.onetcenter.org>
 - For information specific to Pennsylvania, see the PA Center for Workforce Information & Analysis (CWIA) - www.paworkstats.state.pa.us (wage information is available under the “Services for Employers” tab)
- Pricing your product or service – check out your potential competitors’ pricing and/or consult guides such as SBA’s *Pricing Your Product* - available to download at http://archive.sba.gov/idc/groups/public/documents/sba_homepage/pub_fm13.pdf

9. Write your business plan (recommended for all start-ups; essential if you need to secure financing).

- Check out books on writing business plans by searching the online catalog or browsing the collection at the Duke Street Business Center.
- Search the electronic version of the **Business Plans Handbook** series (remotely via our Online Resources page - see database logon instructions under #2) or consult the print series found in the reference collection at the Duke Street Business Center (REF 338.642 BUS). Each volume in this set contains actual business plans written by small businesses and reflects a variety of different types of businesses. A cumulative index by subject is included in the last volume of the printed set.

- There are a number of tools and templates available that can help you to format your business plan. These include -
 - *Business Plan Pro* software (available at the Duke Street Business Center or by purchase online). This software includes over 500 sample business plans.
 - SCORE's "Quick Start Business Plan Online" free tool found at - <http://www.score.org/onlineworkshops/quick-start-business-plan> (registration required).
 - "Business Plan NOW" - www.kutztownsbdc.org/business_planning_tool.asp
This is a free online business planning tool available on the Kutztown University Small Business Development Center website (registration required).
- For in-depth assistance, attend classes given by the following local organizations –
 - ASSETS Lancaster – www.assetslancaster.org
Offers a comprehensive intensive 10-week training course that covers basic business principles, marketing, finance, management, operations, legalities, and taxes, which ultimately leads to completion of a business plan.
 - SCORE Lancaster - www.scorelancaster.org
Offers a five-part series on business planning and a 12-week series, the Kauffman Fast Trac First Step program, an in-depth program for creating a feasibility plan and determining "go" or "no go." Free one-on-one business mentoring is also available.

10. Determine funding sources and secure financing (Skip to step 11 if you have the personal financial resources necessary to start your business.)

- Personal or family, including use of credit card.
- Government financing, including:
 - For an overview of SBA (U.S. Small Business Administration) loan options - <http://www.sba.gov/category/navigation-structure/loans-grants>
 - For SBA 7(a) loans or Micro-loans, consult Community First Fund www.commfirstfund.org, 717-393-2351
 - For SBA 504 loans or DCED funding for larger scale economic development projects (including current DCED program loan rates), consult the Economic Development Company of Lancaster County (EDC) - www.edcfinancecorp.com, 717-397-4046
 - For DCED (Department of Community & Economic Development) funding – search for Pennsylvania state funding and incentive programs at - <http://www.newpa.com/find-and-apply-for-funding/funding-and-program-finder>
 - For other government grant programs, click - www.grants.gov. (Note: Grants for business start-ups and expansions are extremely rare.)
- Bank loans - including SBA 7(a) loans - available at most area banks
- Equity, including private investors, angels, and venture capital resources -
 - Pennsylvania Angel Network (PAN) – www.paangelnetwork.com, 717-238-1222

- Wellspring FV (Lancaster Area) – www.wellspringfv.com, 717-293-5151
- Ben Franklin Technology Partners – www.benfranklin.org
Harrisburg Office – 717-948-6339
- vFinance, Inc. – www.vfinance.com – online directory of venture capital firms and angel investors.
- Consult the *Directory of Venture Capital and Private Equity Firms* (REF 332 DIR) located in the reference collection at the Duke Street Business Center.

11. Determine how you will market your product or service

- Check out books on marketing, advertising and public relations by searching the online catalog or browsing the collection at the Duke Street Business Center.
- Distribution channels – consult print reference sources such as the *American Wholesalers and Distributors Directory* as well as online databases and websites.
- For media contact info – consult directories in the reference section at the Duke Street Business Center such as:
 - Lancaster Chamber of Commerce & Industry Media Guide* (REF 302.23 MED)
 - Bacon's Radio and TV/Cable Directory* (REF 384.54 BAC)
- Direct mail marketing –
 - To compile listings of potential customers from our free databases – use **ReferenceUSA** (U.S. Businesses module for business-to business customer lists and Consumers/Lifestyles module for business-to-consumer lists).
 - For a listing of special topic list vendors (to purchase mailing lists)– Ask the business reference librarian at the DSBC about in-library use of the online version of *Direct Marketing List Source* (also found in print at REF 659.133 DIR)
- Online marketing (including email and social media) – check out recent books on this topic in the Duke Street Business Center collection or articles in full-text business periodical databases.
- Doing business with Pennsylvania and the United States government –
 - For information on doing business with the Commonwealth of PA, including finding specific opportunities available to you as a state supplier/contractor, click - www.portal.state.pa.us/portal/server.pt/community/procurement/1271
 - To register as a certified MBE/WBE (Minority or Women Business Enterprise) in Pennsylvania (see the “Overview” section on the following webpage for the requirements and benefits of becoming a MBE/WBE), click - www.portal.state.pa.us/portal/server.pt/community/mbe_wbe_certification/1359
 - To do business with the U.S. government and locate specific opportunities as a supplier/contractor, click – <http://www.sba.gov/content/federal-business-opportunities>
 - For information on minority business opportunities with the federal government, consult the Minority Business Development Agency, click – www.mbda.gov

12. Establish recordkeeping procedures for financial management, personnel, etc.

- Consult print resources at the Duke Street Business Center and/or online resources such as www.irs.gov/businesses/small/article/0,,id=98575,00.html
- Purchase and install easy-to-use accounting software such as - Intuit's *Quickbooks*, Avanquest's *Bookkeeper* or Sage Peachtree's *Pro* (or *Complete*) *Accounting*.

13. Hire staff (as applicable)

- For general information about hiring employees, consult print resources at the Duke Street Business Center and/or online resources such as - <http://www.sba.gov/category/navigation-structure/starting-managing-business/managing-business/running-business/human-resources> (SBA)
<http://www.irs.gov/businesses/small/article/0,,id=98164,00.html> (IRS)
- Payroll taxes– info on both the federal and PA employee withholding tax process –
Federal employment taxes www.irs.gov/businesses/small/article/0,,id=172179,00.html
W-4 Form (to print in pdf) - www.irs.gov/pub/irs-pdf/fw4.pdf
PA Employer Tax Withholding information guide – click on rev-415.pdf at - http://www.portal.state.pa.us/portal/server.pt/community/employer_withholding_tax/14705
For PA business tax questions, call 717-787-1064.
- Workers' Compensation – obtain Workers' Compensation insurance from your insurance agent. For PA Bureau of Workers' Compensation information click - http://www.portal.state.pa.us/portal/server.pt/community/workers%27_compensation_insurance/10441
- Benefits administration information, click – www.dol.gov/ebsa/ or www.ifebp.org/ or, for general information – <http://www.sba.gov/content/providing-employee-benefits>
- PA Labor & Industry Laws & Regulations, click – <http://www.portal.state.pa.us/portal/server.pt?open=514&objID=552929&mode=2>

14. OPEN FOR BUSINESS!!

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