Identifying Start Up Costs
All Branches Welcome
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Cost of Doing Business

The cost of doing business depends on a wide variety of factors, including the cost inputs of goods and services, the costs of compliance with any regulations, interest rates on borrowed funds and taxes.
Is it a hobby or a business?

A hobby: an activity done regularly in one's leisure time for pleasure.

Business: the practice of making one's living by engaging in commerce.
Tax Law

• Do you maintain complete and accurate books and records.
• Does the time and effort you put into the activity indicate you intend to make it profitable.
• Do you depend on income from the activity for your livelihood.
• Whether your losses are due to circumstances beyond your control (or are normal in the startup phase of your type of business).
• Do you change your methods of operation in an attempt to improve profitability.
• Do you or your advisors have the knowledge needed to carry on the activity as a successful business.
• Were you successful in making a profit in similar activities in the past.
• Does the activity makes a profit in some years and how much profit it makes.
• Can you expect to make a future profit from the appreciation of the assets used in the activity.
You have a great idea now what?

- What is your compelling story – what is your start up story

- Do the research

- Data beats emotion 100% of the time
How to Conduct a SWOT Analysis for Your Small Business

- STRENGTHS: What do you do well?
- WEAKNESSES: Where do you need to improve?
- OPPORTUNITIES: What are your goals?
- THREATS: What obstacles do you face?
Create the Business Plan First

1. Identify if your product or service is viable
2. Makes you do the research
3. Allows you to put idea to paper
4. Allows you to change your mind
MARKET RESEARCH

- Interview the competition
- Interview customers

- Valuable information from
  - Library
  - US Census Bureau
  - Industry Association
  - Universities
  - IBISWorld

“Depending on the industry, trade associations might give you sample start-up cost worksheets and financial statements, names of established business owners and suppliers in the industry, market research data and other useful information.”
GO SELL IT

Get out – go sell your product
Drive or go to a location outside your area
Ask for feedback
Share your idea with potential customers
START UP COSTS

Business Legal Structure (S/P, LLC, PARTNERSHIP S-CORP, C-CORP)
START UP COSTS

Licensing if needed (ie bookkeepers)

Where can I find Courses?
Industry associations
Udemy.com
Lynda.com
Library
Youtube.com
CHOOSE YOUR NAME

Check trademarks or if it currently is in use -
http://tmsearch.uspto.gov

Check to see if domain is available
https://instantdomainsearch.com/

Check to see if social media channels are available
https://knowem.com/
BANK ACCOUNT

Research the banks in your area as well as online - who gives you the best rate of return.

What type of account do you need?

Do you need loans – is there a better rate if you have account with your bank?
Attorney

Look for one or more attorneys with the following traits

• Business Attorney
• Trademark Attorney
• Flat fee attorney
Accounting

Look for someone with industry experience

Having a bookkeeper or CPA just to set up books will make sure you are on the right track

• You can do this on your own – My recommendation use QuickBooks and take a class to make sure you are set up correctly
Insurance

ARE YOU COVERED?
BUSINESS LOCATION

Office Space
Office Supplies
Equipment/ Supplies
Rent/ Utilities
Inventory
Telephone Systems
Internet
EMPLOYEES

Do you need employees?
Can you outsource jobs?
Can you work with interns?
Payroll needed?
TECHNOLOGY

Computers
Tablets
Phone Systems
Internet
Equipment

Software  https://www.capterra.com/
MARKETING

Digital Marketing
  Website, Social Media, Email, Video

Traditional Marketing
  Print, Radio, TV, Event, Newspaper

Face to Face Marketing

Relationship Marketing 2 part
RELATIONSHIP MARKETING

Building Relationships through connections

Chamber of Commerce
BNI (BNI.COM)
Meetup.com
Industry Associations

Competitors
YOUR TURN - QUESTIONS
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