



Small Business Guide

Startup Fundamentals

Turn your dream into a
successful business



Champions of



inspiring success

What's inside

Introduction: Are you ready to launch a startup?	3
Part 1: Is your business idea viable?	5
Show off your unique selling proposition	7
Size up the market — and your competition	8
Case Study: Earth Star Company	10
Part 2: Defining success and laying the groundwork	12
Create your business plan	14
Getting up to speed on finances and funding	17
Startup Case Study: Tradition Accounting and Bookkeeping	21
Part 3: Ready, set, launch!	23
7 common business structures	23
Trademarking and naming your business	26
Building the right team: agents, employees and mentors	28
Branding your startup	32
Startup Case Study: Alyoop Threads	34
Conclusion: 10 burning startup questions — answered	36
Begin your entrepreneurship adventure today	38
Worksheet: Start your business plan	40



Startup Fundamentals is for informational purposes only. This eBook does not constitute professional financial or tax advice. Always consult with a certified accountant, financial or legal advisor, tax professional, or other expert about the specific legal and financial needs of your business.

Are you ready to launch a startup?

It takes a certain type of person to be a successful entrepreneur. For many, it's a dream to turn a passion into a business — but it takes a special amount of drive to actually get it done.

It also takes the ability to step back and objectively consider both the pros and cons of launching a startup. You need to ask yourself **some tough questions**, including whether you're passionate about your project, which obstacles might hinder your success and whether it's the right time to start your business.

There are more than **30 million small businesses** in the U.S., making up 99.9 percent of all businesses nationwide. Not all of those businesses will succeed. Still, launching your own business can be one of the most rewarding journeys you'll ever embark on.

Discover your why

Do you want to make a difference in your community? Have you dreamed about turning your passion into your life's work? Or, have you come up with a million-dollar idea? Think about why you want to start your business in the first place. Whatever the reason, you'll want to set both short-term and long-term goals. And while you want to make them achievable, you also want to make them challenging. This will help you launch your startup so it thrives for the long haul.



"Once you start your business, where do you plan to take it? Setting specific, measurable short-term and long-term goals will keep you motivated and moving in the right direction."

— Kurt Engelmeier, Executive Director of Marketing, Deluxe Corp.

The right mindset for startup success

Successful entrepreneurs share common characteristics that help them weather tough times and keep business chugging along. See if you have what it takes:

You're passionate about finding your purpose.

You're ready to be your own boss.

You're committed to keeping your customers happy.

You're up for a challenge.

You want to bring something unique to your community.

You enjoy learning by doing.

You are willing to sacrifice to make your business work.

You're driven to become successful doing what you love.



Knowing — and embracing — the challenges

Starting a business comes with a [fair amount of challenges](#). Knowing what to expect is half the battle. Here are some of the main issues to watch out for, so you can plan to address them head-on:

- Time management
- Fierce competition
- Cash flow crunches
- Finding a support network
- Acquiring customers
- Hiring the right help
- Finding funding
- Lagging sales

“You have to be in the mindset of working on your business instead of in your business. You have to be clear with yourself. What do you want to be doing day to day? If what you really want to do is work on cars, don’t start your own business. Get a job at a place where you can work on cars and get paid really well for it. Those places exist. If your dream is to start a business and become a business, then go for it.”

— Bogi Lateiner, Owner, [180 Degrees Automotive](#)

Successful entrepreneurs are natural risk takers. They don’t shy away from challenges — they embrace them. Overcoming these challenges is part of what makes launching a startup so rewarding. The sense of accomplishment entrepreneurs feel after they identify and then conquer obstacles is what many business owners thrive on.

Once you understand what you’re getting into, you’re ready to start getting your startup off the ground.



“Think about your reasons for wanting to start a business. If money is all you’re after, you’re likely to give up when times get tough. But if you’re passionate about your idea, you’ll have what it takes to tough it out. Prepare for those tough times right at the outset by establishing a business model that’s profitable and brings in cash as early as possible in your business cycle. Besides passion, positive cash flow is the lifeblood of any successful business.”

— Vincent Zamora, Lead Financial Analyst, Deluxe Corp.

Successful goal setting

Starting a business? Follow these [four steps](#) when setting your goals:

1. Be specific
2. Divide your goal into pieces
3. Make sure your goals are both feasible and measurable
4. Always follow your goals





Part 1: Is your business idea viable?

You have your big idea, the one that you hope you can parlay into your very own business venture. The first test before investing your valuable time and money is to figure out whether that idea can turn into a viable business.

5 ways to tell if your idea is worth pursuing:

1. Ask relevant questions

The thought of launching a new business can go from exciting to overwhelming very quickly. Before you get going, ask yourself a wide variety of questions, such as:

- What makes my business idea unique?
- Will my product or service make life easier for customers?
- Is there proven demand in my area for my product or service?
- What makes me qualified to turn my idea into a successful business?

2. Build a community of support

Crowdfunding services such as [Kickstarter](#) can help you gauge interest in your startup idea. If people like your idea and start providing funds to help you launch it, you

know you have a winning idea on your hands. It's a great way to build a following of loyal supporters straight away because they feel like they're part of the process, and they hold a sense of pride for being there from the beginning.

On the other hand, if your crowdfunding effort draws lukewarm interest, you may need to tweak your idea. If there is little or no interest at all, you might want to scrap the idea altogether, or give it a major overhaul.



"You've come up with an amazing business idea, and you think you may be onto something big. But before you dive in, dip your toe in the water and test that idea. It won't cost you much, but it will save you from sinking your time and money into a project that may never get off the ground."

— Anna Stoesz, Executive Director of Customer Experience, Deluxe Corp.

3. Go directly to customers

Close friends and family members will most likely support your initial idea no matter what, but it's important to get some unbiased feedback to help you determine if your idea is truly a good one.

4. Incubate your idea

Business incubators are [extremely helpful organizations](#) that can help your startup grow by providing valuable resources and services, including seed funding, coaching, networking connections and mentorship. The business-minded folks involved provide the support, inspiration and advice you need to take your startup idea to the next level. Before you apply to join an incubator, compare membership costs and the resources offered to find the right fit for your business.

5. Take a lesson from the competition

It's highly unlikely you'll start a business that is completely new or unique to your market. The key is to identify and focus on the other players that occupy the space you want to enter, how your business will be different (or similar), if there is a specific niche you can fill, and the general competitive landscape. Here are some easy ways to keep tabs on the competition:

- Monitor their social media accounts, including Facebook, Twitter, Instagram and LinkedIn
- Dig into industry reports from analyst firms such as Gartner or Forrester Research
- Study their successes and learn from their mistakes
- Read their online reviews to get a sense of what customers like and dislike

Smart ways to collect customer feedback

Collecting and acting on customer feedback is a must for any business. Try these:

Focus groups

Identify and interview a small number of consumers who use similar products or services to see if there would be any interest in yours. Remember, all feedback is good feedback, both positive and negative.

Leverage social media

Facebook, LinkedIn, Twitter and Instagram are all avenues you can use to chat with groups of people that might be interested in your business venture.

Conduct a survey

Use surveys to gauge the interest of potential customers and get a sense of what they like and don't like about your business idea.

Connect with reputable bloggers

Ask these industry experts if you can write a guest post about your business idea to get some feedback from their readers.

Whichever method(s) you choose, make a point to find out the challenges your customers face, what tools they currently use, whether they would use your product or service, and what they would be willing to pay for it.



Show off your unique selling proposition

No matter what type of startup you launch, you'll need a unique selling proposition (USP) to help you stand out from your competitors and give customers the best experience possible.

Identifying your USP helps build customer loyalty, gives you a clear brand identity and, hopefully, improves sales. Here are four tips to use when developing your startup's USP:

1. Walk in your customers' shoes

When it comes to USPs, a popular line of thinking is, "Before you sell anything to customers, you need to sell it to yourself." Imagine how your ideal customer thinks, feels and behaves, and ask yourself why they would purchase your products or services. Why do they need what you offer?

How this looks depends on the type of businesses you launch. For some startups it might mean you offer the fastest service or the lowest prices, and for others it could mean you have the most cutting-edge product or service on the market. There are many possibilities for each type of business. The key is to choose a USP that fits with the way you'd like your business to be perceived in your market.

2. Identify your strengths

One USP strategy that helps many startups is to identify your own strengths and focus on them intensely. The idea is to become the best at something and then use that as your selling point. Your service may not be available at the lowest prices, but if the customer's experience is top-notch, your USP would be quality service that leads to high customer satisfaction and more return sales.

Or, perhaps your business strength is your personality and ability to relate to people. Your USP could be the friendliest customer service in the area, making customers feel welcome and building loyalty over time.

3. Solve problems and meet needs

Ask yourself what needs your startup fulfills, or identify ways your business can solve a problem your ideal target audience might have. Then, think about how you can deliver that solution to customers better, faster or at a lower price than your competitors. For many startups this involves filling a niche in the market by offering a unique service that your competitor doesn't.

4. Gain a competitive edge

Once you know what your competitors offer, you can determine how your business can better meet your target customers' needs and tell your potential customers.

Creating a USP takes time and energy, but it's vital to your success. The goal is to define a USP that you can use as the cornerstone of your business for years to come.

What's a USP?

At base, a USP is the reason a business's products and services are different from what its competitors offer. It's what you have that your competitors don't.



Are you reaching the right audience?

Savvy entrepreneurs know the key to reaching their ideal customers is to choose a segment of consumers, learn everything possible about how their business meets their needs, and then connect the dots for those consumers.

At first you may feel hesitant focusing on one or a few target customer segments because you want to reach as many people as possible. On one level, it makes sense — the more people you can reach, the more sales you eventually stand to make. In reality, the opposite is true. To illustrate in basic marketing terms, if you spend \$100 to reach 1,000 people with a message designed to appeal to each and every one of them, you risk appealing to none, thus wasting your \$100 investment.

Consumers increasingly expect to find the best possible provider, regardless of the product or service. They want to be listened to and catered to. But because every customer has different expectations, you can't successfully go after all of them. Instead of broadcasting a watered-down message to appeal to everyone, you're better off using laser-like focus to zero in on the consumers who are a perfect fit for your startup.

This is your target audience, and the goal is to become the best at providing the solutions they need.

Size up the market — and your competition

Market research may sound expensive and time-consuming, but with your phone and an internet connection, you can find the information you need to build a foundation for your startup.

Once you've identified a group of core target customers, reach out to them to learn:

- What factors they consider when purchasing a product or service similar to your company's
- How they would search for a business that provides something similar
- What they'd be willing to pay for such an offering

Then take a look at your competitors and ask yourself:

- What are their USPs?
- How do they price their products and services?
- What types of clients and customers do they have?
- With all this in mind, what's your competitive advantage?

Spend as little or as much time as you'd like researching the market, but the more information you have, the better prepared you'll be when it comes time to make important decisions.



Strategies for scouting out the competition

In sports, teams scout each other all the time to gain insight into opponents' strengths, weaknesses and tendencies, so why not give it a try?

Look at your competitors' marketing strategies to get an idea of their strengths and weaknesses and gain insight into your own. After you identify your competitors, use these three strategies to keep tabs on what they're up to:

1. Sign up for their emails or newsletters

Most companies make it easy to sign up and receive email newsletters. For more than newsletters, consider signing up for a free trial of their service, or making a small purchase so you're classified as a new customer.

Emails from competitors can help you see things from the perspective of a customer within your industry. What did the competitor do that worked, and what could they improve upon? Use these insights to define your own strategies.

Be careful, however — some savvy business owners will “blacklist” competitor work email addresses.

2. Browse their website

Visit your key competitors' websites to once again see what they're doing right and what they may be doing wrong. For example, if you can't find vital pieces of information, such as contact info, a simple way to sign up or how to make a purchase, you may be able to capitalize on that with your own website.

A competitor's website is also an excellent way to get information on new products or services, their competitive positioning and special promotions and discounts they have offered. Be sure to look at their “careers” or “jobs” sections to gain valuable insight about their areas of growth.

3. Like and follow on social media

Like your competitors on Facebook, connect with them on LinkedIn and follow them on Twitter. Checking out competitors' social media networks teaches you how they position themselves, and how both existing and potential customers interact with their brand. This allows you to observe which of their strategies and ideas are effective, and which to avoid.



Looking for a partner?

Get the insights and expertise you need for startup success. Speak with a Deluxe Small Business Adviser today: **Call 866.240.8691**



Startup Case Study: **Earth Star Company**

Search online for “female entrepreneurs,” and you’ll find photos of formally dressed, seemingly healthy business women. But, what if you’re not in picture-perfect health? Can you still be an entrepreneur with physical or mental disabilities? Absolutely. Just ask Lisa White, founder of Earth Star Company.

From illness to entrepreneurship

As a young woman, White worked in the medical industry and aspired to be a nurse. But her life completely changed when she was diagnosed with degenerative disc disease, a condition in which a damaged disc causes pain, and fibromyalgia, a widespread muscle pain disorder.

After her diagnosis, White underwent several surgeries that forced her to quit her job in the medical field. She then enlisted in holistic health courses to find natural ways to ease pain and heal her body. During her studies, she discovered her passion for making jewelry, herbal teas, natural headache formulas, aromatherapy products and essential oils.

Looking for more financial security and wanting to help others, she made her entrepreneurial dream come true in November 2018, when she incorporated Earth Star Company with MyCorporation.com, a Deluxe company. Based in Michigan, Earth Star Company sells organic, chemical free, and animal- and environmentally-friendly personal care products.



Lisa White, Founder, Earth Star Company



Defining a unique selling proposition

Before launching her business, White homed in on two very simple ideas that would ultimately drive the way she produced her products and positioned her company within her industry:

1. With all of the chemicals that are added to modern personal care products, reading all the ingredients can be exhausting
2. People trust companies and brands not to poison them

White understood that many people, like herself, were concerned about the skin products sold in stores. Her products, which are made from plants, herbs and oils, offered a solution.



Transforming passion into professional purpose

Although her entrepreneurial journey included health challenges, White's passion and support system encouraged her every step of the way.

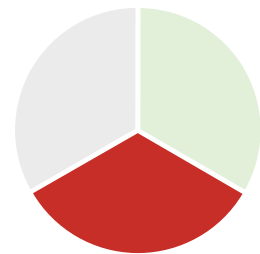
"I have several small procedures every year, and I still haven't given up hope that I'll be able to be successful again. Being in the holistic health field offers me the opportunity to help others. I am lucky enough to have people in my life that believe in me, my passion and ability to do this, and my drive to not give up."

Currently, White is developing a new product line for organic facial serums set to launch in 2019. Her greatest successes are yet to come!

Ready to launch your startup?

Start off on the right foot by incorporating your business or creating an LLC today. MyCorporation.com does the work, so you can reap the benefits.





Part 2: Defining success and laying the groundwork

You have your big idea, the one that you hope you can parlay into your very own business venture. The first test before investing your valuable time and money is to figure out whether that idea can turn into a viable business.

Entrepreneurs can possess a wide variety of characteristics, but there are three traits that nearly every successful startup founder has:

1. Vulnerability

When entrepreneurs are vulnerable and willing to share their thoughts, concerns or shortcomings openly, their team becomes more open — no one feels as though they need to hide their own insecurities, challenges or ideas.

Startups need to move quickly to compete against bigger companies with more money and employees, so it's essential that your team is tightly aligned at all times. An open environment, where team members know they can be candid and vulnerable, contributes to a positive company culture and encourages ideas that will help drive the business forward.

2. Transparency

When transparency exists, employees know that they are being given all of the information they need to be

successful, and employers know that their team understands the company's mission and goals. When you keep the lines of communication open in this way, you build trust and boost productivity, as your team will have the tools they need to get the job done right and on schedule. If you want everyone in the company to be on the same page and maintain forward momentum, it's important to be transparent when it comes to explaining the state of the business and when giving feedback to your team.

3. Passion

Teams that are driven by a passion for the value their business offers, typically focus on the people they are helping and the potential of helping more people down the road. In this way, passion has the ability to propel a business toward future wins. You must be fully invested in what you're doing and believe in your product or service in order to communicate the benefits of your offerings and stay the course when challenges arise.

There are many ways to go about building a startup, but those with a combination of vulnerability, transparency and passion give themselves the best chance of laying the groundwork for future success.

"Make sure that you believe in whatever business you're going to do and that you're willing to give up certain things. You have to be willing to let go of a lot of your life to be able to push what you actually want."

— Spencer Johnson, [Founder of Sota Clothing](#)

Choosing your business model

Every startup is built on a business model — the method in which you plan to make money. Business models can vary greatly from industry to industry, and competitors within the same sector may even have different but equally effective business models. There are four factors that will play a major role in how you ultimately define your business model:

1. Differentiation and pricing

It's no longer good enough to claim that you have the best products or services or the best prices — your competition will make the same claims. Products, services and pricing in today's business climate are commodities. But an exceptional customer experience can be a powerful differentiator.

2. Marketing and sales

Establishing an amazing idea for a business is merely the first step in an entrepreneur's journey. To interest customers enough to attract them to your products or services requires marketing. Marketing takes many forms, including basic business cards, websites, TV advertising, word-of-mouth and everything in between. For something so vital to the health of a startup, marketing can still feel intimidating. Where do you start? What comes first? Fortunately, it's possible to build your marketing step by step, one manageable piece at a time. When taken together, these pieces add up

Is your idea a side hustle or a business?

When launching a startup, most entrepreneurs ask themselves: "Is this a side hustle, or will it be a 'real' business?" For many, it's a combination of the two, beginning as a passion project on the side but then eventually growing to a full-blown business.

There are three signs that can inform you that your side business might be ready for prime time:

- Your garage or spare bedroom are so full of supplies and inventory that you can't park your car or find your way to the window.
- Your sales have grown, as have your expenses, and you're making a name for yourself and the products or services you offer.
- Your supplier tells you that you can order in larger quantities to get price breaks, but that you'll need a state tax ID number — only obtainable for registered businesses.



to a well-rounded marketing program that's many times greater than the sum of its parts. And there are [plenty of resources to help you get started](#).

3. Production and delivery methods

If your startup involves selling physical products, you need to determine how you will produce those products and then deliver them to your customers. If you're starting small, there's a good chance you will handle production in-house. As you grow, however, it might make sense to outsource production to save time and money and allow you to focus on other areas of the business.

4. Customer experience and satisfaction

Again, customer experience and satisfaction will play a major role in how your business differentiates itself from others. This often entails understanding the journey your customers take through your company and how you can operationalize your business strategy across all of the touchpoints that comprise the customer journey. This will force you to take a step back and ask yourself:

- What are your touchpoints?
- Where are the "moments of truth" where customers are won or lost?
- What do your employees think customers expect?
- How well do they feel these expectations are being met?
- Do customers feel their expectations are being met?
- What are their pain points?

69% of U.S. entrepreneurs start their businesses at home.

— [Small Business Trends](#)

Create your business plan

A business plan is a vital tool often used for loan applications or to show investors where you see your startup going. A complete business plan contains a number of components, including an executive summary, the products or services you will sell, your target markets, your management team and your financial plans. It is strongly advised that entrepreneurs use a plan as the foundation of their business.

A good business plan guides you through each stage of starting and managing your business, and it outlines the steps you need to take to achieve your goals. Here's how:

1. A business plan maps the future

Your business plan is the road map that helps you understand the terrain of your business and the opportunities and threats that surround it. Depending on how detailed a map you want, you can include a competitive analysis, marketing strategy, milestones to success, national and local trends affecting your industry — anything you need to better manage your business. There is no hard and fast rule about the length, format or even the topics to include in your plan. Just start it and keep it moving forward.

2. A business plan supports growth and helps obtain funding

A well-written business plan can convey your story to prospective



investors in a way that builds their confidence and convinces them to open their wallets. To prepare a business plan that wins funders over, include realistic growth projections, the risks involved (and how you plan to mitigate them) and what makes your startup unique.

3. A business plan develops and communicates your course of action

Your business plan is the tool you will use to help your startup accomplish its goals. If you're interested in renting a new space, for example, your business plan can help you think through what you need before you make the move. Do your growth prospects and plans justify taking on this increased cost? Is the new space in an area where your target customers are? How will you pay for any necessary renovations?

4. A business plan helps manage cash flow

Did you know that [82 percent](#) of businesses that fail do so because of cash flow problems? Your cash flow is the fuel that keeps your business moving, so you need to have an adequate supply. Adding a cash flow chart to the financial section of your business plan will give you a high-level picture of the money going in and out of your business. This simple overview can help you manage your cash and be in a better position to borrow money, if necessary. You can also add a contingency plan to cover any cash flow problems that may arise.

"[I left my corporate job because] I had a personal drive to own my own business, be in control of my career and build something myself. I also wanted to fill a need I saw not being fulfilled."

— Emma Olson, [Founder of Hazel & Rose](#)

8 essential components of a business plan

So how do you create a business plan, and what should you include? Keep it simple by starting with the sections below. Be sure each section answers the relevant questions listed here.

1. Executive summary

our executive summary is the short, snappy elevator pitch you'll use to sell your investors, bankers, partners and other key people on your startup.

Executive summary questions to answer:

- What does your business do?
- What problem will it solve?
- Why is your business uniquely poised for success?

2. Company overview

Provide a snapshot of your business by including basic information about your company's leadership team, employees, products or services, and the like. If you plan to ask for funding, you should also include financials and high-level growth plans.

Company overview questions to answer:

- Where is your business located?
- When was it formed, and what type of legal entity is it?



- What is your mission statement?
- What is your projected growth?

3. Competitive analysis

This section discusses the competitors in your industry. Do your research to identify who they are, what they do and how they serve their markets.

Competitive analysis questions to answer:

- Who are your competitors and how do they serve their customers?
- Why do customers buy from them?
- What do you know about their pricing?

4. Products and services

This area of your business plan details the problem your startup solves for your customers, and how that solution is different from competitors' goods or services.

Products and services questions to answer:

- What are the types of products or services you sell now?
- What will you develop and offer in the future?
- Why is your product better than or different from the competition's?

5. Target markets

Your target market section is an introduction to the customer who is going to love your product or service and, just as important, your business itself.

Target markets questions to answer:

- Who is your ideal customer?
- What are their demographic profiles?
- What are their needs?
- How does your business serve those needs?

6. Management team

Give potential lenders and funders confidence in your business by introducing yourself, as well as the exceptionally qualified group of people by your side.

Management team questions to answer:

- Where were you educated?
- What is your experience?
- What is your expertise?
- What are you putting into the business?
- What about the management team would convince an investor to risk their money?

7. Financial plans and measures of success

Investors and lenders will want to see financial documents that show your startup's future profitability, including a sales forecast, personnel plan, cash flow statement, profit and loss statement, and balance sheet for at least three years out. Some investors ask for projections even further into the future, so be sure to invest in a good accountant to help you prepare realistic and thoughtful forecasts.

How long does it take to start a business?

When asking how long it takes to launch a startup, the answer really depends on a number of things. The quick and easy answer? It doesn't take long at all. But the real question you should be asking is how long it takes to build a successful startup? The answer to that question is much more complicated.

Getting a startup off the ground initially can happen relatively quickly, particularly if you have the time and means to put your full focus and energy into the project. But getting your startup to the point where it's a full-fledged business can take three or four years (or longer, depending on the circumstances). Building it to the level of your initial vision could take five to seven years.

There are, of course, exceptions to these general guidelines. You've likely heard one-in-a-million success stories of startups that make it huge in no time. At the other end of the spectrum, there are entrepreneurs who grind for most of their lives before finally getting their business to the level they originally envisioned. Most startups fall somewhere in between, but just like anything, the harder you work and the more attention you pay to detail, the better chance you have of long-term success.



Financial plan questions to answer:

- How much external funding do you need to build your company?
- What are your projected revenues and profits over the next one to five years?
- What assets must you acquire?
- How does your customer generate revenue?
- How much money do you need to start and run your business?

8. Risk factors

If you're asking people to invest in your business, it's only right to be transparent about the things that can go wrong. Risk factors can include a natural disaster, outdated technology, legal pitfalls, ineffective management, a sudden cash flow crunch or a supplier failure. Once you've shared the risks, it's smart to include the steps you'll take to manage them, so investors see that you have a plan.

Risk factors questions to answer:

- What risks could affect your business?
- How will you address these risks if they present themselves?

Getting up to speed on finances and funding

Many entrepreneurs aren't financial experts right off the bat. Here is a primer on the most important financial terms to know. For an in-depth look at small business financials, download our free [Finance Fundamentals eBook](#).

Accounts payable: The money your business owes to creditors (e.g., the vendors or suppliers that you work with). This is recorded as a liability on your balance sheet.

Accounts receivable: The money your business receives when it sells goods or services to a customer on credit.

Asset: Any resource, tangible or intangible, that has value. Furniture, a building, computers, a business website and cash in the bank are all considered assets.

Bottom line: Subtracting your expenses from your revenue shows your business's bottom line, which is your net income or net profit.

Employer identification number (EIN): A [9-digit number](#) issued by the IRS and used to identify businesses with paid employees. If you're a sole proprietorship, your EIN is your social security number.

Equity: The assets that an owner has invested in a business minus the business's liabilities. The equity account basically represents the company's net worth.



Set up your business for financial success

Download our free eBook Finance Fundamentals.

 GET IT NOW

Financial statement: A report of a business's financial information that is comprised of four basic reports: an income statement (expenses, revenue, and profits and losses), a balance sheet, a cash flow statement (money coming in and going out of the business) and a retained earnings statement (record of changes in equity).

Liability: Everything that a business owes, from an electricity bill to the money owed to vendors.

Return on investment (ROI): Your ROI is the amount of money your business makes (return) compared to how much it spent (investment). For example, if you spent \$1,000 on a marketing campaign and it led to an additional \$5,000 in sales, the return on investment is \$4,000, or 400 percent.

Revenue: This is the money your business brings in from selling and delivering its products or services during an accounting period. Revenue is often referred to as your "top line," because it's the first item listed on a profit and loss statement.

According to the Wells Fargo Small Business Index, \$10,000 is the average amount of startup capital required by a small business owner.

— [Small Business Administration](#)

Eight ways to fund your startup

The old saying "it takes money to make money" is often the actual case for startups. While all entrepreneurs are armed with ideas, only a select few have the financial means to make a go of it on their own. Luckily, there are a number of ways you can fund your startup, including:

1. Small business loans

Securing loans from banks or credit unions is one of the most straightforward ways to obtain startup funds. Remember to shop around and compare rates when looking for a small business loan.

2. Small Business Administration loans

These loans are guaranteed by the U.S. Small Business Administration, a government body created to help small businesses thrive. These funds often come with more stipulations than bank loans. However, the terms of these loans are generally favorable to small business owners.

3. State and local government loans

The availability of these types of loans varies based on your location. Be sure to check with your city or state to see if they offer loans for commercial development.

4. Nonbank lenders

Peer-to-peer loans are a good option for entrepreneurs without a strong financial history. The process may be faster than a traditional loan, although interest rates are often higher. In addition, nontraditional credit metrics often may be used, such as payment histories to vendors and your presence on social media.



5. Venture capital

Many startups receive funding from venture capitalists in exchange for shares of ownership in the business. These investors take a risk with hopes that your business turns a profit if and when it goes public.

6. Crowdfunding

Services such as Kickstarter, Indiegogo and GoFundMe can be another way for businesses to raise startup funds. These crowdfunding communities allow individuals to donate to emerging businesses. If you can persuade people to believe in your vision, they can start supporting you before you open your doors.

7. Government grants

Government-sponsored grants are typically available to only a fraction of small businesses, but they are worth looking into. Such grants are usually available in areas looking to stimulate economic growth.

8. Bootstrapping

A final option is to use your personal savings or to take a second mortgage on your home. This is how the majority of small businesses and startups get started. Of course, there is a certain level of risk involved because you're investing your own money, but the trade-off is an immense sense of accomplishment if and when your startup succeeds.



Avoid the 6 pitfalls of entrepreneurship

Not every startup makes it — in fact, the majority of them fail. In the world of startups there are no guarantees, but owners can give their businesses the best chance of surviving by avoiding these six common pitfalls.

1. Having no clear direction or marketing strategy

Failure to plan is planning to fail. If you have no clear direction of where you'd like your business to be in say, two years, you've got a problem. Since the business landscape is continually changing, you must establish precise objectives. This will grant you the ability to steer your business down a successful path. Marketing is interconnected with branding. Therefore, if you're not doing marketing the right way, you won't manage to maximize your visibility in the marketplace.

That doesn't mean that your strategy is set in stone; you can always pivot and change direction. However, failing to know precisely what you're building, who you're building for and how you'll reach this audience is a recipe for disaster.

2. Speaking to the wrong audience (or everyone)

For many startups, you have an owner who has the right amount of experience to solve problems and has a great product, but still ends up failing. Why is that? It's simple: They're not addressing the right audience.

Some business owners make the mistake of thinking that the larger the audience, the more successful their companies will be. Instead, they should focus on the specific audience that simply cannot live without your offering, whether it's a product or service. Once your business dominates a certain sector of the market, it can begin expanding to other audiences.

3. Underestimating your competition

Competition is fiercer than you think. If you don't focus on staying ahead of the curve, your business will easily get lost in the crowd. Keep an eye on the ever-changing trends in the market and continually analyze your competition. The business realm is a competitive one, and you should treat it as such.

The key is to have a balance. Don't focus too much on competition to avoid copying their products, but at the same time, never underestimate them. Your product might have more features or better technology, but all they need to get an edge would be something as simple as a better user experience.

4. Not having the right partnerships

No matter how long you've worked in your field, there will always be someone with more expertise in some areas. That's why you should consider creating partnerships with specialized experts that can get your company one step further.

You shouldn't be ashamed that you don't know how to do everything in business. Focus on reaching out to get the right partners to work with you. With the right partners by your side, you can rise above the competition.

5. Hoping to get rich quick

It's not uncommon for rookie entrepreneurs to get in business because they assume they'll have overnight success with their services or products. You will soon realize that this is far from the truth.

It takes a lot of hard work and determination to be successful. Avoid setting goals you're not sure you can reach and focus on more attainable ones instead. The recipe to accomplishing great things is continually working toward your goals, and continuing to persevere no matter what obstacles come your way.

6. Having zero work-life balance

As hard as you try to give 100 percent to your business all of the time, making your business a top priority and neglecting everything else in your life isn't healthy. Instead, focus on having a balanced approach between your professional and personal life.



Looking for a partner?

Get the insights and expertise you need for startup success. Speak with a Deluxe Small Business Adviser today: **Call 866.240.8691**



Startup Case Study: **Tradition Accounting and Bookkeeping**

When it comes to finance, it makes “cents” to work with Tradition Accounting and Bookkeeping. Founded by Christine Irizarry-Amoruso, the company helps small business owners maintain their records while mitigating financial risks.

Beginning the entrepreneurial journey

After earning a master’s degree in accounting, Irizarry-Amoruso held positions in the real estate industry alongside Fortune 100 companies in New York and West Palm Beach. Her primary duty was to assist business owners in maintaining their financial records.

Then, she had her big lightbulb moment. Why not start a business of her own?

She decided that she would use her experience in corporate accounting to help small business owners manage their finances, protect themselves from common accounting missteps and save time by serving as an alternative to in-house accounting and bookkeeping.

Developing her business plan

Every great brand starts with a great idea. But it takes planning to turn that idea into a successful business. Irizarry-Amoruso had a clear vision for Tradition Accounting and Bookkeeping before she got started. She knew exactly who she wanted to reach, identified what made her business unique and developed a plan to get the company off the ground.

With over 15 years in the finance industry, Irizarry-Amoruso understood how complicated accounting and bookkeeping can be for entrepreneurs. She also knew that the price of these types of financial services can be a major obstacle for the people most in need of help. This is the problem her company would solve for clients — this would be her unique selling proposition.



Christine Irizarry-Amoruso, Founder,
Tradition Accounting and Bookkeeping



Irizarry-Amoruso's goal has always been to make her services accessible. As part of her business model, she decided to offer discounts to startup firms that need her help but can't afford the full package prices right away.

Irizarry-Amoruso identified her target market: small businesses and general contractors in Florida's Treasure Coast. She zeroed in on an area of expertise: assisting local and home-based businesses with back office accounting and bookkeeping needs. She had a mission: providing quality service and treating clients with respect, as well as professionally educating clients about accounting trends and changes. Her business plan was shaping up.

In July 2017, Tradition Accounting and Bookkeeping was launched. Irizarry-Amoruso incorporated the business with MyCorporation.com, calling the process a great experience.

Developing her business plan

Irizarry-Amoruso's plan is strong but adaptable. Since launching, she's added referrals into the mix. Large public accounting firms she has partnered with through MyCorporation.com will refer business owners to her, so she can help them with their bookkeeping needs.

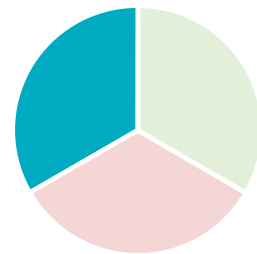
Irizarry-Amoruso is incredibly proud of the success stories of her clients.

"There's a general contractor in South Florida who is now poised to grow his portfolio of projects from one to five," Irizarry-Amoruso proudly says, "It's because of the specialized expertise of the job cost and construction accounting that I provide for him and his business!"

Ready to launch your startup?

Start off on the right foot by incorporating your business or creating an LLC today. MyCorporation.com does the work, so you can reap the benefits.





Part 3: Ready, set, launch!

Before you blast off, think about the journey ahead and structure your business accordingly. It's vital to learn about the different business structures available and choose one with care. After all, your business structure will impact everything, from how much you pay in taxes to the personal liability you face.

7 common business structures

Sole proprietorship: In a sole proprietorship, the owner is personally liable for business debts. That means sole proprietors report profit or loss on their personal tax return. This type of business is simple and inexpensive to create and operate — no filing or formal corporate maintenance required.

General partnership: The owners, also known as partners, are personally liable for business debts, and they report profit or loss on their personal tax returns. This type of business is simple and inexpensive to create and operate. There's no need to file an income tax return. General partners can raise cash without involving outside investors in management of business.

Limited partnership: Limited partners have limited personal liability for business debts as long as they don't participate in management. The limited partnership provides the limited partners a set return on their investment — similar to a dividend. Limited partnerships are suitable mainly for companies that invest in real estate, and they're more expensive to create than general partnerships.

Limited liability company: A [limited liability company](#) (LLC) combines a corporation's liability protection and pass-through tax structure of a partnership. IRS rules now allow LLCs to choose between being taxed as a partnership or corporation. LLCs are more expensive to create than a partnership or sole proprietorship. The sale of member interests may take place per company policy. LLCs are significantly easier and more flexible to maintain than a corporation.

C-corporation: Owners have limited personal liability for business debts. Owners can split corporate profit among owners and the corporation, paying a lower overall tax rate. The C-corp, however, is a separate taxable entity. Fringe benefits can be deducted as a business expense. [C-corps](#) may have an unlimited number of shareholders. They're more expensive to create than partnerships or sole proprietorships. Finally, shares of stock may be sold to raise capital and are required to maintain corporate status.

S-corporation: In an [S-corp](#), owners have limited personal liability for business debts. Owners report their share of corporate profit or loss on their personal tax returns. Income must be allocated to owners according to their ownership interests. Owners can use corporate loss to offset income from other sources. Fringe benefits are limited to owners who own more than two percent of shares. An S-corp is more expensive to create than a partnership or sole proprietorship. Finally, there are more formality requirements than for a limited liability company which offer similar advantages.

Nonprofit corporation: This type of corporation is formed to carry out a charitable, educational, religious, literary or scientific purpose with tax advantages available only to these groups. Contributions to charitable corporations are tax-deductible. Fringe benefits can be deducted as business expenses. Formality requirements, such as annual reports, minutes and meetings, are required to maintain corporate status. Property that is transferred to the corporation stays there. If the corporation ends, that property must go to another nonprofit.



"Incorporating your business is a simple, step-by-step process that gives you extra benefits, personal asset protection, credibility and brand protection for your entity. Once you have incorporated the business, you will also pay less in taxes and deductible expenses."

— **Deborah Sweeney**, Vice President & General Manager, Business Registration Services, Deluxe Corp.

LLC vs. Corporation: Which is better for my business?

Many industries are great fits for LLCs and corporations. Licensed professionals, such as doctors, lawyers, architects and accountants, can especially benefit from forming them. Here's why:

Professional corporation

If a doctor is sued for malpractice, the other physicians in his or her practice don't also want to be sued. That's the reason a doctor might choose this type of business structure. In a [professional corporation](#), owners have no personal liability for malpractice of other owners.

Corporations are more expensive to create than partnerships or sole proprietorships. All corporation owners must belong to the same profession. And, certain formality requirements, such as annual reports, minutes and meetings, are required to maintain corporate status.

Professional limited liability company (PLLC)

Similar to with a regular limited liability company, professional limited liability company members have no personal liability for malpractice of other members; they are, however, liable for their own acts of malpractice. A single member PLLC is treated as a disregarded tax entity, the same as a sole proprietor, giving it pass-through tax treatment. A multiple member PLLC is taxed as a partnership and gives state licensed professionals a way to enjoy LLC advantages. Members must all belong to the same profession, but keep in mind that PLLCs are not available in all states. Members have great flexibility through written operating agreements to define rights and responsibilities, powers, financial matters of the PLLC, and the rights and restrictions regarding ownership interests.



"Many industries are great fits for LLCs and corporations. One of the key differences is growth. If you know you'd like to keep a company small and independent, for instance, you may incorporate as an LLC for more flexibility. If you know you want to expand the company and take it worldwide, it makes more sense to incorporate as a corporation, so you have a structure in place to accept money from investors."

— Dana Case, Director of Operations, MyCorporation.com

5 steps to take after incorporating your business

Now that you've incorporated your business or formed an LLC, make sure it's ready to roll by taking these important next steps:

1. **Apply for an [Employer Identification Number \(EIN\)](#)**
An EIN is needed to open a business bank account, or if you want to hire employees.
2. **File for trademark protection**
If your business has a unique name, logo, slogan or design, the best way to protect those assets and your brand is to register your trademark. You should also buy a domain name and secure social media properties as soon as possible.
3. **Find out which business licenses you must apply for**
Licensing varies depending on locality, entity and industry, so it's a good idea to consult with a professional who can help you figure out what you need.
4. **Stay on top of annual maintenance**
Most states require business entities to file an annual report, which has some basic information on your business like its name, address, registered agent and industry. You also have to document any changes to the corporation or LLC. If you bring on new owners or new investors, for example, make note of it. You should also update your operating agreement or bylaws as new owners and investors will probably want a say in how the company is run.
5. **Apply for permission to do business in other states**
If you don't, you could be looking at hefty fines and dissolution of your business in those other states.

Trademarking and naming your business

Picking the right name for your business — and making sure it's protected — is one of the most important steps in launching your startup. Here's what you need to know.

What is a trademark?

A trademark is a design, symbol, word or phrase that identifies your products and distinguishes them from the products of other companies. The Nike swoosh is a classic example of a symbol trademark.

Why are trademarks so valuable to your business?

Trademarks aren't just a symbol of your identity, goodwill and reputation. They make it easy for customers to spot and recognize you in a crowded marketplace. And they can influence people's buying decisions by bringing to mind positive, powerful messages about your brand. Look at it this way: There's a reason the phrase "Google it" is so popular. People see it as the fast, easy and best way to find anything online.

Search before you file

Your trademark represents your business and your brand. If you skip the search and file it in haste, you're opening yourself up to a claim of trademark infringement. To avoid this risk, conduct a trademark search beforehand, when you've made the decision to [file a trademark](#). That way, you'll be able to search currently registered and pending trademark applications in order to:

- **Verify uniqueness.** Simply filing a trademark application with the United States Patent and Trademark Office [USPTO] doesn't guarantee that your mark or slogan is unique. Conducting a name search beforehand guarantees that you are not infringing on an existing mark before you file your application.
- **Avoid rejection.** The trademark application process can be long. A trademark search prevents you from filing your application, only to have it rejected based on the existence of another conflicting mark.

Avoiding trademark search snafus

Filing a trademark application with the USPTO doesn't mean that the mark you intend to trademark is available for registration, or that it doesn't infringe on an existing mark. In fact, it's possible to register your trademark, only to discover later that your mark infringes on a pre-registered mark. This can be a costly mistake down the road and be detrimental to your brand. It can also potentially leave your intellectual property unprotected. That's why an extensive trademark search is your best bet to prevent missteps and one of the most critical choices when protecting your brand.

Ensuring a stress-free search

When conducting your trademark search, enlist the help of a search service that uses multiple search strategies and examines numerous databases to find similar or conflicting text and logos, so you can be sure the results are accurate. Outsourcing your search efforts makes it easy on business owners by conducting an extensive trademark search on your behalf to help you

Keys to a properly conducted trademark search

Only a comprehensive trademark search provides you with full clearance to make sure your mark is available for use and registration with the USPTO. But what does it entail? A USPTO examiner reviews the trademark to determine availability for use and registration. The examiner then evaluates whether the mark conflicts with a previously existing mark and meets the minimum requirements to become a federally registered trademark.

Examining conflicting trademarks

A trademark conflict applies to both identical registered marks and confusingly similar marks. So an examiner properly looks to identify not only similar designs, names, colors and layout, but also font usage, punctuation, spacing and phonetics.

Trademarking your logo

To determine whether there are any conflicting or confusingly similar marks already registered in the trademark database, an examiner assigns search codes to every significant element of your design that isn't a word. Any component of your mark that too closely resembles another (and is likely to be rejected by the USPTO) will be identified.



verify that your trademark is available for registration. For this reason, you shouldn't attempt to do a trademark search yourself. Enlisting the help of a trademark attorney or a more affordable trademark search service will give you significantly more thorough and reliable results.

The do's and don'ts of naming your business

Here are some do's and don'ts to simplify naming your business:

Do: Consider how your name will look and sound

According to the U.S. Small Business Administration, it's important to think about how the business name will appear everywhere, from a logo to social media handles to your business website. Now that you know what it looks like in print, start saying the name out loud. How does it sound? Will it be appealing to your target market and reflect what your business offers? Is it meaningful to your audience? Is there a form of alliteration here? Alliteration is not a requirement but it has been proven to be quite memorable for brands like lululemon and TED Talks.

Don't: Make it complicated to spell

If you or your team can't remember how to spell the name of your business, then it's likely your customers won't be able to either. Keep it simple — one trick of the trade is to pick a name that has five to 10 letters and a minimum of one consonant in it.

Do: Register a domain name and social media handles

Make sure your domain name is available (especially in a .com format) and register it as soon as possible. Check in on Facebook, Twitter and Instagram to ensure you can snag those handles for your business name too.

Do: Take your time

Don't rush yourself on trying to think up the best name ever. If you need a little extra time, set it aside and come back to the drawing board often with new ideas. At the end of the day, you need to be the most comfortable with the name you pick; take all the time you need in the process.

Business licenses and permits

Business licenses are essentially permits to operate a business in your state, city, and industry. Whether you need one depends on the legal regulations those three groups are bound by. It's not like getting a driver's license, where all anyone has to do is pass a couple of tests and get a piece of plastic that qualifies them to drive any personal car.

Finding the right licenses and permits for your business

Every business, industry, state and city has a different set of regulations in place, so check out the U.S. Small Business Administration website and use their tool to [determine what licenses and permits you will need to apply for](#).

In particular, you'll want to check and see if you need the following licenses and permits. They allow the state and city governments to keep track of your business, enforce relevant laws and collect taxes, so nearly every locality requires businesses to have them.

- Employer Identification Number
- Doing Business As (DBA) name if you plan to conduct business under a different name
- OSHA certification
- Sales & Use Permit

Noncompliance can be costly

Operating without the necessary licenses or permits is a quick way to get fined or have your business shut down, so it's vitally important that you comply with your local laws and regulations. Even if you think you couldn't possibly be in an industry that requires any sort of license or permit, check with your state and local government and use every available tool you can to ensure compliance with the law.

Read more about [getting a business license](#).





Building the right team: agents, employees and mentors

Registered agents

If you're thinking about forming an LLC or incorporating your business, then you'll need to [find a registered agent](#). Because incorporating or forming an LLC helps to separate your personal and professional lives, and provides fiscal and legal liability protections, the state cannot simply serve you with legal paperwork. LLCs and corporations are, after all, their own, separate legal entity. That's where a registered agent can help.

What is a registered agent?

A registered agent is the person, or in some cases, the company designated to receive any service of process notices, official government notices, including tax forms, notices of lawsuits and other documents for an LLC or corporation.

Why work with a registered agent?

Nearly every single state requires that LLCs and corporations doing business within its borders designate a registered agent, so it's very likely that, legally, you must have a registered agent. But, beyond the legal considerations, having a registered agent also helps you maintain a bit of privacy.

In what kinds of situations are registered agents used?

Having legal paperwork delivered directly to your place of business can wind up raising eyebrows, so it helps to have a registered agent who can act as an impartial receiver of those legal notices.

States will also sometimes send renewal reminders and notices to your registered agent, helping you stay on top of what you need to file to stay compliant with state regulations.

There are considerations to be made for office morale as well. After all, if you're working for a corporation that keeps getting notices and letters from attorneys, you might not have much confidence in the company. A registered agent helps create a sphere of privacy, so you and your attorney can handle any pressing legal matters without causing a panic.

Can you act as your own agent?

Yes, some states do allow members of LLCs, or directors of corporations, to act as the business's registered agent. However, you must have a physical street address (not a P.O. box) in the state in which the company does business.

Do you need a registered agent in every state?

Not all states require you to have one. Minnesota, for example, does not require any business formed in the state to name a registered agent, though the company does have to list an address where a person who represents the company can be found.

Where can you find a registered agent?

Most states actively maintain a list of registered agents within their borders. Just look up your state's secretary of state or department of corporations. MyCorporation.com also offers [registered agent services](#).

Having a registered agent is extremely useful, and even if the state you do business in does not require you to have one, it's still a good idea to contract somebody. Just make sure that whoever you do hire stays in contact with you, as any and all important paperwork from the state will likely come to them first. The last thing you want is to miss a deadline because your registered agent never got around to calling you.



Bringing on new employees

Entrepreneurs who have never hired employees before may find the process daunting at first. If you're planning to hire new employees, here are six things to keep in mind.

1. File for an EIN

It's your responsibility to withhold taxes from employees' income. As a result, you're required to file for an EIN for tax purposes and to identify your business. An EIN is a federal tax ID assigned by the IRS. The IRS can track your business with this number and ensure that it's collecting the appropriate payroll tax.

2. Determine the worker's classification

When you decide to bring on a new hire, you must classify that worker as either an independent contractor or employee. The IRS has [outlined three criteria](#) that separate independent contractors (also referred to as self-employed workers) from employees:

- **Behavioral** is a reference to the company's control over what the worker does and how this worker does their job.
- **Financial** refers to business aspects of the worker's job controlled by the payer.
- **The relationship** may be one that is short- or long-term through a written contract.

If you're still uncertain as to which classification makes sense, a best practice for entrepreneurs is to file [Form SS-8](#). This document will allow the IRS to better determine the worker's status.

3. Fill out Form I-9

Now you need to determine the worker's eligibility to work in the United States. Each new hire has to fill out [Form I-9](#). The document is used by the IRS to verify an employee's identity and employment authorization. United States citizen and noncitizen hires must complete this form, along with their respective employers. Documents

like passports and social security cards must also be present to serve as evidence of the hire's identity.

4. Fill out Form W-2 and Form W-4

Outside of Form I-9, new hires that are paid wages must fill out two more documents. [Form W-2](#) is a wage and tax statement. It withholds federal Social Security and Medicare taxes. This form is completed by the employer, but the hire must enter their name and Social Security Number on the document. [Form W-4](#) is a withholding allowance certificate. This form allows federal income taxes to be withheld from the hires and must be signed and completed when the hire starts work.

5. What to know for part-time hires

Perhaps you've decided to hire someone part-time. According to the IRS, paid part-time hires are still subject to the same tax withholding rules that would apply to their full-time counterparts.

6. Determine new hire benefits

Many businesses offer benefits to new hires. Common benefits include unemployment insurance, workers' compensation and health insurance plans.

The importance of your Employer Identification Number (EIN)

An Employer Identification Number (EIN) is basically a social security number for your business. Most businesses are required to have an EIN. (Some sole proprietorships may be the exception.) Here's why an EIN is crucial:

1. It allows you to hire employees

EINs let the IRS and other tax-collecting bodies know what businesses need to remit in terms of payroll and other employment-related taxes.

2. An EIN is less sensitive than your social security number

If your social security number falls into the wrong hands, it can lead to months or even years of financial headaches. An EIN is only used as a federal identifier, so it doesn't really matter who knows it. Instead of putting your social security number on form after form, and opening yourself up to identity theft, it's smarter to apply for an EIN and use that to identify your business from day one.

3. It's legally required for most business structures

When you form an LLC or incorporate your business, you are turning it into its own, separate legal entity required to have an EIN. You also have to have an EIN if you run your business as a partnership, as there are two people involved with the company and you can't use both social security numbers as identifiers. If you may want to form an LLC or incorporate sometime in the future, apply for an EIN early on. Then you'll have it when you need it.

An EIN will never expire. When you're ready to apply, head over to the IRS website and fill out [Form SS-4](#), or find an experienced professional to help.

3 tips for hiring the right employees

Need to add people to your team? Here's how to find the right people for the job:

1. Hire great communicators

A good first question to ask during a job interview is, "How would you rate yourself as a communicator?" Business owners need to be able to ask questions, receive feedback and listen.

2. Prioritize your time and empower your people

Think about where your time is best spent. Stay in your own wheelhouse and remember that you can't wear all the hats. Do what you're good at and empower your people to do the rest.

3. Make sure the person fits your company culture

Encourage potential employees to visit your business and get a feel for its culture. One way you can approach this is to conduct two interviews and a trial where applicants can work with your business for a day to make sure it's a fit for both the business and the applicant.



"When hiring, consider screening for 'team player-ness' by asking questions about the applicant's work ethic, examples of how they contribute to their prior companies and their willingness to go above and beyond."

— Deborah Sweeney,
Vice President & General
Manager, Business Registration
Services, Deluxe Corp.

Leveraging mentors, experts and advisers

It's rare — if not completely unheard of — for a small business to make it without support from mentors, experts or strategic advisers. But where do you find such help? There are a number of options:

- **SCORE** is the nation's largest network of volunteer, expert business mentors, with more than 10,000 volunteers in 300 chapters. It is a resource partner of the U.S. Small Business Administration and has helped more than 11 million entrepreneurs through mentoring, workshops and educational resources since 1964. The group's website allows you to find a mentor based on your geographic location or the area of expertise you're looking for.
- **Deluxe Small Business Advisers** are available to learn about your unique challenges, answer your questions and share resources to help you achieve your goals. The conversation is free — this will not be a sales call.
- Scour the web to see if your local chamber of commerce, SBA community group or any other organization has programs in place to help support startups and small businesses.
- Create your own support system for your new venture; you may be surprised at some of the insights you can gain from friends and family.
- Join or build a community that includes customers, neighboring businesses and complementary small business partners.

Why community is vital for your startup

1. Advice from peers helps you learn faster

From finance to marketing to sales, there's so much that goes into running a successful business. Once you've launched your business, you need to learn a lot of things quickly. When questions arise, you could hunt around for the answers, but it's often easier and quicker to ask a peer who can tell you how they would approach — or have approached — the issue you're dealing with.

2. Sharing information across industries helps propel you forward

Cross-industry mentorships can help fill the gaps in your knowledge. Business owners might be in totally separate industries, but creating a sense of community and collaboration opens up an opportunity for knowledge exchange.

3. Stepping outside of your typical space offers new perspectives

Temporarily working in a different location can provide you with mental clarity by freeing you from interruptions that may prevent you from accomplishing the tasks at hand. Sometimes a simple change of scenery can serve as a catalyst for new ideas or strategies that can help grow your business.



Branding your startup

The word *brand* itself can be confusing, because people tend to associate it with very large businesses. When someone asks you to name your favorite brand of soda, you're most likely going to think of huge companies like Pepsi or Coca-Cola. When you hear the phrase "brand-name clothing," names like Levi's, Nike or Calvin Klein may come to mind.

At base, a brand is a mark, logo or symbol that distinguishes your business from others, but it really goes beyond that. Your brand is what people think about when they hear your business name. It's the centerpiece of all your marketing efforts.

In that sense, your brand goes well beyond a logo or tagline. Everything about your business — your color scheme, website, business philosophy, office, culture, communication style — contributes to defining your brand.

When you think of your business as a brand, you can begin to shape how people perceive it. Here are four key elements that can contribute to your startup's brand.

1. Logo. When you assess your brand, your logo is one of the first things to consider. For new businesses, this may mean creating a logo from scratch. For businesses looking to rebrand or freshen up their image, a new logo may be in order. Logos are a crucial element of brand identity for businesses of all types and sizes. Whether it's for a very small business with just a handful of employees, or one that's growing to 100 employees or more, a [professionally designed logo](#) evokes a sense of reliability and competence that potential customers appreciate.

Here are just some of the reasons why logos are vital:

- A strong logo helps you make a good first impression.
- Your logo helps convey your business's values and personality.
- A logo provides credibility and helps build trust with customers.
- When used consistently, a logo reinforces your brand in customers' minds and creates familiarity over time — so they'll remember you when they need you.

No matter the industry, the most successful brands tend to share at least one common trait: a very recognizable logo. If it's computers and software, Apple and Microsoft both jump out. For cars, the likes of Chevrolet, Ford, Mercedes and BMW all have very familiar logos. You can probably picture every one of these logos in your mind without much effort, and that familiarity helps you relate to the business beyond any one specific product.

2. Website. Think of your website as a window to the world that gives potential customers a sneak peek at what your business has to offer. While the quality of your products and customer service keeps customers coming back, it's a [well-designed website](#) that gets customers in the door in the first place.

It's not enough to simply have a website. The impression it makes can either boost or hinder customers' likelihood to interact with you. If your website is outdated, hard to navigate or visually unappealing, or if it doesn't offer the information your visitors want, they will spend their money elsewhere. But, if you can tap into your customers' needs, and meet those needs, your website will be a business-generating machine.

3. Domain name. Make sure your [preferred domain name](#) is available (especially in a .com format) and register it as soon as possible. In addition, check in on Facebook, Twitter and Instagram to make sure you can snag those handles for your business name, too.

4. Printed items. Print promotional items are great because there are many options to choose from, all of which can enhance your brand messaging. Here are a handful of some of the [most important printed items](#) to utilize:

- **Business cards:** A business card is a must for every business. Be sure to include all of the ways potential customers can contact you, including a phone number, email address, website and a physical address if you

have one. Don't forget your social media info, such as your Facebook profile or Twitter handle.

- **Brochures:** If you want to give potential customers detailed information about your products or services, brochures are an excellent option. You can include photos of your products or business location, along with all of your contact information. People often share brochures, meaning each one you produce may be seen by multiple sets of eyes.
- **Postcards:** Think of postcards as a slimmed-down version of brochures. There's enough space for some impactful photos, contact info, and perhaps a coupon, special or promotion. Postcards work well as direct-mail marketing pieces, but you can also distribute them in other ways, such as passing them out to people at events, making them available near your register and slipping them into packaging materials.
- **Letterhead and stationery:** If your business does any correspondence through traditional mail, letterhead and stationery, featuring your business name and logo will give your mail a more professional and polished look and reinforce your brand far and wide.
- **Stickers:** Stickers have many uses. You can put them on product packaging. You can create bumper stickers to distribute with each sale. You can make buy-one-get-one stickers and place them on products that are part of a "BOGO" free deal. You can produce stickers featuring your logo and website and hand them out at events.
- **Promotional items and apparel:** Consider printing branded items that customers will find useful. T-shirts, pens, notepads, popsockets and tote bags all help your logo and brand stay in people's minds.

Keep your business going strong

When launching your startup, it's important to have realistic expectations. Put another way: Expect growing pains. It won't be smooth sailing 100 percent of the time, so it's important not to get discouraged. Keep your eyes on the prize.

Running a startup is often a time-consuming adventure, but you should remember to take a step back at least once a year for the general maintenance of your business. For example, it can pay to revisit your business plan from time to time, whether it's to make some adjustments based on your actual experiences, or to get back on track should your business go astray. You'll also have to focus on relatively mundane — but very important — tasks such as renewing your licenses and permits.

Finally, one thing that can help your startup moving forward is regularly setting new goals. Your goals should be challenging but realistic. If you have a particularly solid quarter in terms of revenue, try to beat that record during the next quarter. But if sales don't quite meet expectations, consider adjusting your goals down to something that's realistic but still profitable.



Looking for a partner?

Get the insights and expertise you need for startup success. Speak with a Deluxe Small Business Adviser today: **Call 866.240.8691**



Startup Case Study: Alyoop Threads

Founded in 2018 by Alyson Schwartz, Alyoop Threads specializes in selling children's apparel, ranging from T-shirts to pants to clothing sets. The company's mission is rooted in family, adventure and exploration. But it was community — both the city that Schwartz calls home and the people who embraced her business — that remained a lasting inspiration.

Beginning the entrepreneurial journey

Alyson Schwartz had more than 15 years of experience in the apparel industry before launching Alyoop. A “Jill-of-all-trades”, Schwartz's designs included men's dress shirts, athletic wear and even cooling towels.

After having children, Schwartz debated whether to go back to her office role or follow her dream of starting her own business. Her ultimate decision to make the jump to business owner came after noticing many of her friends switching industries and making major career shifts themselves.

“I didn't want to throw away the last 20 years of traditional corporate experience,” Schwartz says. She decided to use her close-knit community for a sounding board. After many brainstorming sessions both solo and with peers, she realized the same themes and ideas kept repeating.

The common thread, appropriately enough, turned out to be fashion. Schwartz decided to start a clothing company for kids with the help of her extensive design background. She incorporated the business with MyCorporation.com and named it ‘Alyoop,’ a combination of the names of her children, Lexie and Cooper, as well as Schwartz's own first name.



Alyson Schwartz, Founder, Alyoop Threads





The role of community

As Schwartz worked on building the business, she was also focused on the role of community in the startup.

There is Alyoop's online community, where the brand used social media sites like Instagram and Facebook to engage with customers and fans. The offline community is also key for Alyoop's success, with storefronts and markets as places to sell the clothing lines, generate foot traffic and grow positive word-of-mouth.

Beyond markets, storefronts and the online space, Alyoop has roots in New York City and its surrounding community. Schwartz says that when her daughter was two-years-old, her and her husband challenged themselves to explore 25 new playgrounds over the course of one summer. These 25 playgrounds were scattered all throughout the New York City area. Hopping from one playground to the next allowed her family to see parts of the city they had never seen before and helped build her daughter's confidence and imagination.

Schwartz's design expertise certainly served as the backbone for building her children's brand, but it's the community — with its sense of adventure and exploration — that keeps her energized.



Transforming passion into professional purpose

The business is still in its startup stages but growing steadily. Schwartz operates out of her apartment, where she places and packs orders, and ships them out. Alyoop may be a modest small business, but they have also experienced several successes, thanks to the online and offline communities. Schwartz enjoys using Instagram, where she receives orders and valuable feedback from shoppers. "[Instagram] is perfect for kids' clothing and to tell my brand's story," Schwartz says.

Alyoop's launch during the holiday shopping season allowed the business to get its name in front of shoppers at holiday markets with other local businesses. Schwartz is continuing to focus on using marketing to get Alyoop's name out there. She's also enlisting friends to become brand ambassadors and meeting with social media savvy pals to learn more about the space.

What's coming next for Alyoop? Adventure and exploration, of course — and never straying too far away from the roots of the communities that helped shape the clothing line.

Ready to launch your startup?

Start off on the right foot by incorporating your business or creating an LLC today. MyCorporation.com does the work, so you can reap the benefits.



10 burning startup questions — answered

Starting a business comes with a fair amount of challenges. Knowing what to expect is half the battle. Here are some of the main issues to watch out for, so you can plan to address them head-on:

1. I have a great idea for a business. How should I get started?

Starting a business can be daunting, so don't be afraid to ask for help. Reach out to [SCORE](#), the nationwide nonprofit that arranges mentorships between experienced entrepreneurs and aspiring business owners. Beyond getting one-on-one support, you should research your potential market and industry and seek out resources to learn more about marketing and operating your business.

2. I'm not a numbers person. How do I stay on top of my business finances?

Start simple by creating a small business budget. Done properly, a budget gives you visibility into your profits, improves your cash flow and helps track progress toward your long-term business goals. If budgeting and financial planning are too tough or time-consuming, consider hiring an accountant. Get more financial tips and insights in our free eBook, [Finance Fundamentals](#).

3. I can't afford to spend much on marketing. How do I get the most bang for my buck?

Many small businesses spend \$1,000 per year or less on marketing. However, if you want to attract new customers, keep in touch with existing clients or grow your business, it's crucial to develop a marketing strategy. Every business is different, and there's no one-size-fits-all answer on how to spend your marketing dollars. That said, social media advertising, print marketing and search engine marketing can be affordable tools to reach your target. Check out our free eBook, [Marketing Fundamentals](#), for ways to market your business without breaking the bank.

4. I know I need an awesome website. Where do I start?

When it comes to creating or refreshing a website, there are so many factors to consider: Will my site look good on my customers' phones? Where can I get images for the pages? How can I improve my chances of getting found by search engines like Google? It can be overwhelming to cover everything at once. So start small by deciding who your target audience is and what those folks need to know about your business. Then begin compiling all the information you know will be most useful to them. If you get stuck, consider [hiring a pro](#) to help you build it.

5. There aren't enough hours in the day to do it all. How do I find more time?

There are so many entrepreneurs who do all the work themselves. Everything from bookkeeping and bill paying, to customer service and mopping the floor — small business owners do whatever it takes to keep their heads above water. But these tasks leave little time or energy to plan. Think about how you can outsource your most time-consuming tasks, then



reallocate your time to set long-term goals for your business. For example, hiring a company to [do your payroll](#) could cost \$50, but it frees you to focus on the big picture, which is virtually priceless.

6. I keep hearing about SEO. How will it help my business?

To get noticed by search engines like Google, you need to learn about search engine optimization (SEO). This is a practice that can help your website appear higher in the results when people search online. Because the methods search engines use to deliver results are top secret and extremely complex, there's no guaranteed way to get your business into that coveted top spot. The good news: There are some simple changes you can make to your website to improve your odds of getting found. Learn more about optimizing your website for search engines and increasing your online visibility in our free eBook, [Guide to Search Engine Optimization & Marketing](#).

7. What type of business should I form?

There are so many options, but the best one for you depends on the type of business you run, how many owners are involved and the financial situation. Not every business structure is right for every business, so weigh the pros and cons and choose the business structure that works for you. Our partner MyCorporation.com [has all the information you need](#) to form the right entity for your business.

8. Which social media channels are right for my business?

Social media is a fantastic way for small businesses to get their name out there and stay in touch with customers. Every channel — be it Facebook, Twitter, Instagram, Snapchat or others — serves a distinct purpose. The three most important factors when deciding which channel(s) to use are:

- Does your target audience or customer actively use the channel?
- Does it make sense for your industry?
- Can you realistically invest the time to do it right?

Get more tips on developing a social media plan in our free eBook, [Guide to Social Media Marketing](#).

9. Where should I start when it's time to hire my first employee?

Bringing on new employees comes with a number of new obligations, from filing tax forms to registering with your state's labor department to meeting insurance requirements and more. [Hiring a payroll service](#) can make it easy to find, hire and onboard employees — and stay compliant, so you can focus on running your business.

10. Who can I turn to when I need help?

If you ever feel overwhelmed, need guidance or simply want a few tips on starting or growing your business, you can connect with [SCORE](#), a nonprofit organization dedicated to mentoring small business owners. The [Small Business Administration](#) is another wealth of information for entrepreneurs. You can also speak to a [Small Business Adviser](#), who will help you tackle the unique challenges that you're facing and provide resources to help you reach your goals.



Begin your entrepreneurship adventure today

This guide is meant to give you direction and serve as a reference throughout your startup journey. For quick reference, here is a checklist that covers everything that you should keep in mind as you work to establish and grow your business:

Determine if your business idea is viable. Ask relevant questions, build a community of support, go directly to customers, incubate your idea and keep an eye on your potential competition to decide whether your idea is worth pursuing.

Make your unique selling proposition stand out. Put yourself in your customers' shoes, identify your strengths, solve problems and meet needs, and get to know your competition to let the world know why your startup is unique.

Educate yourself with market research. The more information you have, the more informed you will be when it comes time to make important decisions.

Identify your target audience. The key to reaching your ideal customers is to choose a segment of consumers, learn everything you can about how your business meets their needs, and then connect the dots for those consumers.

Define what success means to you. No matter how good your idea is, it won't go anywhere unless you lay the proper groundwork and define what success looks like to you. In other words: Decide what "success" means to your startup, and then constantly work toward those goals.

Choose your business model. Consider things such as your differentiation and pricing, marketing and sales, production and delivery methods, and customer experience and satisfaction to determine how your startup will make money.

Understand how long it will take to start your business. Getting your startup to the point where it's a full-fledged business can take three or four years (or longer, depending on the circumstances), while building it to the level of your initial vision could take five to seven years.

Learn business accounting basics. Most entrepreneurs aren't financial experts off the bat, but it helps to know the financial phrases and terminology you're sure to come across while launching and operating your business.

Choose a business structure. Deciding on a business structure, be it a sole proprietorship, a limited liability company or a nonprofit corporation, is crucial.

Research what trademarks, copyrights and/or patents you need. Before you file for a trademark, it's a best practice to make use of a service that can perform an extensive search for your business.

Understand and obtain the necessary licenses and permits. Whether you need them depends on the legal regulations that your state, city and industry are bound by.

Find quality talent with the right skill set. Hire great communicators, empower your employees and make sure your people fit your company culture.

Leverage mentors, experts and advisers. Resources such as SCORE and Deluxe Small Business Advisers can provide the insights you need to take your business to the next level.

Brand your startup. Use branding assets such as a logo, website and printed promotional materials to spread your startup's message.

Be prepared. Launching a startup is an adventure, so you'll want to be prepared for anything. Remember to take a step back at least once a year for the general maintenance of your business and to celebrate all of your successes.





Worksheet: Start your business plan

A business plan is a map for your business, providing you with the direction you will need to start, manage and grow your company.

Create a plan that sets your business on the right course. Answer these questions to create your business plan.

Executive summary

Create a brief snapshot of who you are as a company and where your organization is headed.

What does your business do?

Who are you as a business? What makes you unique? Why will your business be successful?

Company overview

Describe your organization, current customer base and projected growth in detail.

What type of business are you running?

What is your mission statement? Where is your business located? What is your legal entity form? What is your growth potential?

Competitive analysis

Describe your competitors and how they serve their markets.

Who are your competitors?

How do they serve their target customers? Why do customers buy from them? How do they price their goods or services?





Unique selling proposition

What do you offer that makes you different from other businesses?

Products and services Explain which products or services you offer and what makes them unique.	
What are you selling? What makes your product stand out? What problems are you solving for customers? What will you develop in the future?	
Target markets Describe your ideal customer.	
Who are your prospective customers? What are their needs? What are their demographic profiles?	
Unique selling proposition (USP) Describe how your products or services address your target customers' needs in a unique way.	
What is your unique selling proposition? How do your products and/or services address the needs of your target customer in a way that sets you apart from the competition? What makes your business different?	

Management team

Introduce yourself and your business partners.

Who manages your business? How many years of experience do you and your team have? What are you putting into the business? Why should an investor risk money on you?	
--	--



Financial plans and measures of success

Explain your business's current financial situation and realistic projections for future profitability.

How much money do you need to start and run your business?

How much external funding will you need? What assets must you acquire? What are your projected revenues and profits over the next one to five years?

Risk factors

List the risks that your business faces, including natural disasters, outdated technology, supplier failures and legal pitfalls.

What problems could arise?

What risks could affect your business? How will you address the risks if they present themselves?



Looking for a partner?

Need expert advice or professional insights? Looking for the payment solutions, business tools or services you need to succeed? Talk with a Deluxe Small Business Adviser today. **Call 866.240.8691**



Market your business **successfully**

Rely on Deluxe to help you design the right logo, build an effective website or create eye-catching collateral.

- Logo and website design
- Print marketing materials
- Retail packaging products
- Promotional and apparel products
- Online and email marketing services



Run your business **efficiently**

Every new business needs the basics — banking products, business checks and forms. We can help you find the perfect products to assist with all your everyday needs.

- Business checks and forms
- Checks and eChecks
- Cash management and banking products
- Sales and service management
- Payroll services and more

Startup Fundamentals is for informational purposes only. This eBook does not constitute professional financial or tax advice. Always consult with a certified accountant, financial or legal advisor, tax professional, or other expert about the specific legal and financial needs of your business.

Still have questions?

Our Small Business Advisers can help. Get expert advice and insider tips with absolutely no obligation to buy.

Tell us about your business today.

Call **866.240.8691**

DELUXE
For the love of small business.®



Champions of

