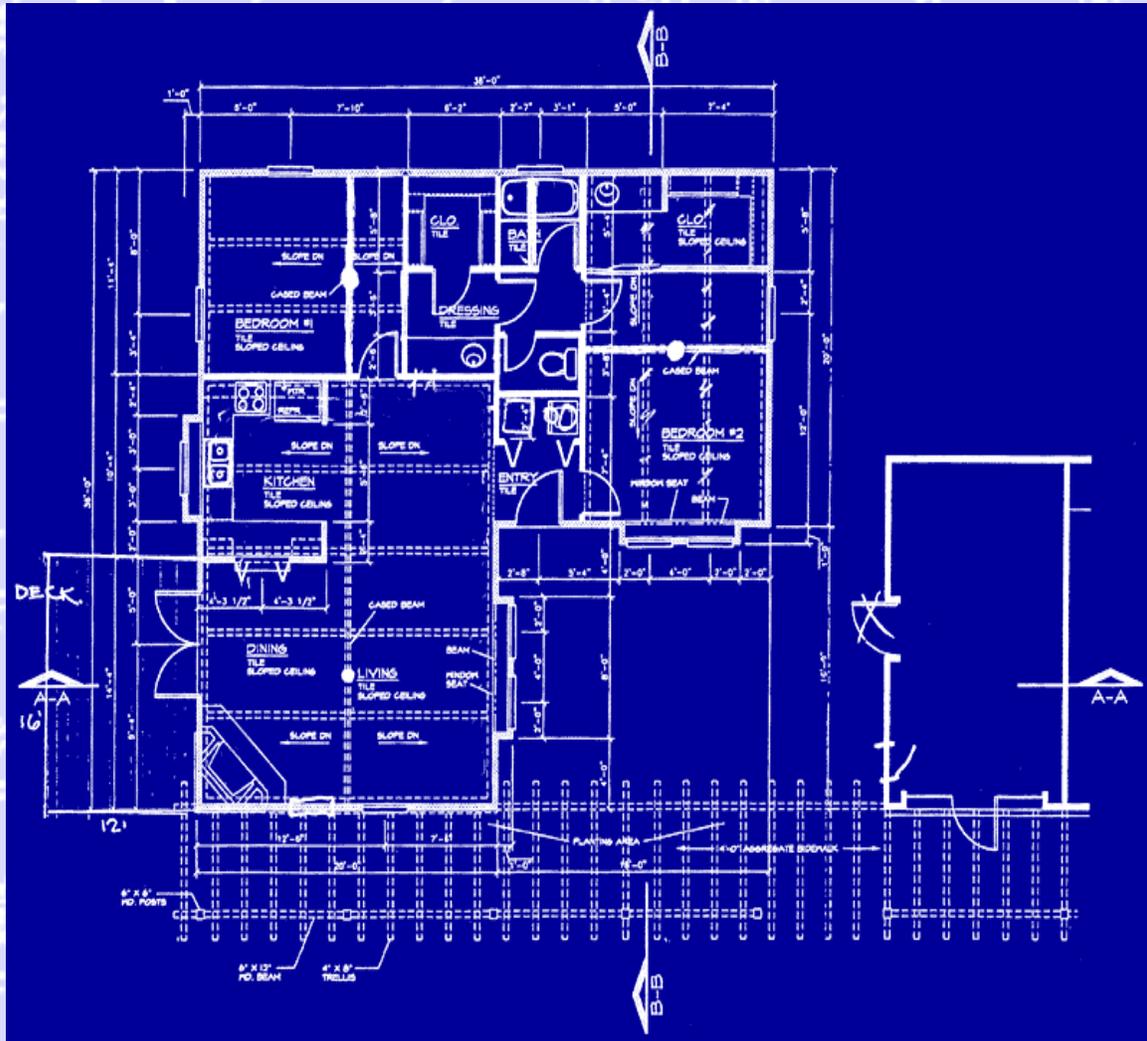


# THE NEW BUSINESS BLUEPRINT



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## Introduction

A blueprint is traditionally a technical drawing used in the manufacture of a certain complex item (e.g. house, boat, plane, etc.). A new business can also be a very complicated item. As such, a blueprint can also be valuable when creating a new business.

I have written *The New Business Blueprint* to describe the steps you need to get your business up and running. This is primarily focused on southern Nevada, but most of these steps are the same no matter where you may be located. This isn't meant as a comprehensive list, rather a solid foundation for starting a new business. Be sure you read this BEFORE you get started.

Sincerely,

Benjamin L. Bunker, Esq.

### **1. Choose the name of your new business.**

It may seem like a simple task, naming your business, but it can be fraught with challenges. The first challenge is coming up with a good name. You may already have a great name picked out. Regardless if you have a name decided or not, review this section carefully. Make sure you consider several names. Why not just one? Well, if the name you settle on is already taken (or a similar version), you'll need a backup. So at least TWO names is recommended at this stage.

Creative names start with brainstorming. You want a name that evokes a positive emotion and informs the person of what you do. This is the ideal name that you want to create. Consider the business area you will be in and start listing the emotions that come to mind. Ideally, you want to come up with emotions that you want your customer to feel. Start listing these and then add words related to your business. This should get the ball rolling. If you need more help, I would highly recommend the *No Lame Names* e-book, available [here](#).

For your next challenge, once you have your names decided (remember, at least TWO), you will need to make sure they are not already in use. This includes similar names. There are several reasons for this:

- (1) You don't want to confuse your customers and/or inadvertently send them to a competitor;
- (2) You can open yourself up to legal issues if you use a name that is similar to another one that has been Trademarked or otherwise legally secured. Even if it has not, you can still run into legal problems. If the name is already in use (or even a similar one), move on to one of your other names. It's just not worth the trouble;

- (3) If the name is already in use, you don't want to invest a pile of money into marketing only to find out you have been helping someone else's business.

I would recommend running a Google search on the names you've finalized as a start and see if the URL is available. Also, check the Secretary of State's website to make sure it is not in use. The U.S. Patent and Trademark Office also has a database to search names. If you are in doubt, I recommend hiring an attorney to do this for you so you are covered. Once you are confident about the name of your business, you will need to reserve it with the [Secretary of State](#). The fee for this service ranges from \$25 (by mail) to \$75 (online/expedited) and is good for 90 days.

## **2. Get your URL.**

A URL or web address is the location for your website. I will discuss the necessity of a website later, but get the URL now. Once you are confident about your new business' name and availability, get the URL reserved. This is usually fairly inexpensive (around \$30 at most places). You can use [GoDaddy.com](#) or another provider to reserve your URL. Even if you don't plan to open up your business or start a website for a while, reserving the URL now has a couple of advantages:

- (1) Nobody else can reserve your URL before you are ready; and
- (2) You "age" your URL. One of the factors evaluated in Search Engine Optimization (SEO – discussed more later) is the age of your URL. Older is better.

## **3. Prepare your Business Plan.**

Can you imagine taking a long road trip and not using a map? That's what your business plan is, a roadmap for your business. A business plan is a formal statement regarding: (a) where your business is headed; and (b) how you are going to get there. Business plans can vary in length from only a couple of pages to volumes.

A business plan is required when seeking outside funding for your new business. If you're looking to a bank or the Small Business Administration (SBA) for a loan, you will be required to produce a business plan. Make sure it is thorough and accurate. Banks often don't require lengthy business plans, a few pages will do. However, if you are looking for outside investors, they will seek a more comprehensive and detailed business plan before putting up any money.

## **4. Hire a CPA and an attorney.**

While you can certainly start up a new company without either, would you really want to? If you're brave and don't mind the risks, there is little to stop you from starting your business without legal and financial guidance. However, if you want to start your business with the best possible chance for success, you will need both.

An accountant can advise you on the various tax advantages and disadvantages associated with various corporate forms (C corp., S corp., and LLC) as well as handling bookkeeping. A CPA can also provide specialized knowledge of the tax codes and use them to your advantage. Find a CPA you can trust and put him/her to work for you.

An attorney can prepare the documents needed to start your company as well as advising you of the legal ramifications of your decisions. Legal entities ([C corp.](#), [S corp.](#), and [LLC](#)) have various nuances that should be considered before formation. Having experienced legal counsel available to a new business owner is essential to starting up correctly. If legal issues arise after start-up, you will need someone to consult with and advise you.

Many large corporations have their own “in-house” lawyers on-site, available to provide legal advice whenever needed. For most new businesses, this is impossible due to the cost. However, [my firm](#) provides these same services to new (and current) small businesses at affordable prices. If you sign up for one of my [subscription plans](#), in addition to the menu of legal services provided at one of the various membership levels, you will have “as needed” access to me, via phone or email, to ask legal questions without extra cost.

By hiring a CPA and attorney, you will have armed your new business with two powerful tools that will put you in the best position possible. Carefully consider whether you would want to venture into business without knowledgeable help.

## **5. Form your entity.**

Forming your business into a legal entity provides various advantages, most notably limited liability. Simply put, this means that if your business gets sued, you (as an individual) cannot be held responsible. This allows you to protect your personal assets while operating your business. You can go into business without forming an entity, but you run great risks if you do.

There are two common legal entities available when starting a business: (1) a corporation; or (2) a limited liability company (LLC). There are many others available (partnerships, limited partnerships, etc.); these two are the most common. I will briefly review the corporation and LLC below. For more information, consult my [website](#) and/or your attorney.

### **5.1 The Corporation.**

The corporation is probably the most familiar legal entity. It provides limited liability to its owners/shareholders. It can also issue stock, which is a benefit when raising capital is required. However, a corporation’s income is subject to “double taxation” – once when the corporation receives the income and again when its shareholders receive it. A corporation also has rigid and formal rules for operation, including shareholder

meetings, minutes, and bylaws to name a few. There are other advantages and disadvantages to this entity as well.

When starting a new corporation, you will need to create and submit Articles of Incorporation and an initial list of officers/directors to the [Secretary of State](#). In addition, you will need to create Bylaws for your corporation. Information on fees for filing a corporation can be found [here](#).

## **5.2 The Limited Liability Company (LLC).**

A limited liability company (LLC) is a legal entity that is not technically a corporation. It is basically a hybrid between the best parts of a corporation (limited liability) and a partnership (no onerous rules and limited reporting requirements). An LLC does not have stock, but usually percentages of ownership between its members. Members' liability is limited, as in a corporation, but the LLC is not subject to the strict formalities of a corporation. An LLC usually also has tax advantages, including not suffering from "double taxation" like a corporation. The LLC is usually the entity that is the best for a new business. As always, I would recommend talking to your CPA and attorney to make sure you use the best entity for your new business' needs.

When submitting an application for a new LLC, you will need Articles of Organization and an initial list of members/managers, also submitted to the [Secretary of State](#). Information on filing fees can be found [here](#).

I would also strongly recommend that you prepare (or have your attorney prepare) an Operating Agreement for your LLC, especially if there is more than one member of the LLC. This will outline various procedures and percentage of ownership of the LLC. An operating agreement will resolve a lot of disputes down the road (and save money as well). Think of it as a prenuptial agreement for a business.

## **6. State Business License.**

In Nevada, any new business is required to apply for a [state business license](#). This is in addition to any local licenses acquired. This is necessary to do business so make sure you take care of it when you are submitting the initial filings and articles for your new business. You will need to pay for renewal every year. The current annual cost for a state business license is \$200 (subject to change).

## **7. Get an EIN.**

The [Employer Identification Number](#) (EIN) is the equivalent of your individual social security number. This is what the IRS uses to keep track of your company and its filings. It is free to apply for and is easy to get. The IRS allows you to even apply [online](#). An EIN is usually required to open up a business account at most banks and to otherwise conduct business.

**8. Get your business address.**

Regardless if your business will be from your home, a virtual office or an actual, physical office, you will need an address. Obviously, in order to complete all of your documents for starting and operating your business, you will need a location. Determine where you will operate your business. A separate mailing address is often acceptable in most situations if you wish to utilize a PO box-type situation. A word of caution, many local licensing agencies frown upon the use of a PO box as a sole address. Inquire with your local agency to verify their requirements.

**9. Open your bank account(s).**

Most banks will require that you have an address and EIN in order to open up an operating account. Some will also require a copy of your filed articles of incorporation or organization. Take your time when looking for a bank. Some are more small business oriented than others and can provide specialized services.

You will also need to set-up a credit card processing/merchant account. Some banks offer these services along with their standard accounts. Look carefully at the fees associated with this service. There are many options when it comes to this, so make sure your decision is an informed one.

**10. Register with the [Department of Taxation](#).**

Proof of registration with the [Department of Taxation](#) is required in order to get a local business license in Nevada. Regardless if you will sell products or only provide services, make sure you are registered or you will not be able to get your local business license. The [Taxpayer Information packet](#) provides more information on this topic.

**11. Apply for local business license(s).**

Depending upon where your business is located in Nevada, you may need one or more business licenses. Determine where your business is located before chasing down the business license. A business may be in Las Vegas, but in an unincorporated part of the city, requiring a Clark County business license instead of a city of Las Vegas business license. If in doubt, use the [Clark County jurisdiction locator](#) to determine which licensing agency you should be contacting.

Below is a list with links to the various business-licensing agencies for the greater Las Vegas area:

[Clark County](#)  
[North Las Vegas](#)  
[Boulder City](#)

[Las Vegas](#)  
[Henderson](#)  
[Pahrump](#)

Remember, once your business entity is formed, any and all applications are filed in its name, not yours. This includes your company's business license(s) and bank accounts.

If you are operating a home-based business, you are **not** exempt from the licensing requirements. You will have to be the homeowner or have permission from the homeowner to get your license. Additionally, if you live in a home subject to a Homeowner's Association, be sure you read and comply with the CC&Rs and get permission from your board.

## **12. Start your website.**

If you remember from section 2, I mentioned the need for a website. Your business **MUST** have a website! You are setting yourself up for disaster if you do not have a presence on the internet. In this electronic age, you will lose out on countless potential customers if you do not have a website. I cannot stress this enough. Any customer or potential customer will look you up online very early on in their contact with your business. Make sure they have something to look at.

A website can vary from the simple to the very complex. It is between you and your website developer how your website will function. It can merely be an information page describing the business and its operating hours, location, services/products, etc. Or, your website can be an e-commerce portal, complete with online checkout and comprehensive online catalog. This all depends on your needs and your business.

Unless you have extensive HTML skills or are exceedingly brave, hiring a website developer is a good idea. Brainstorm on concepts for your website and its layout, including content. Feel free to look at other websites and incorporate features that you like. Always remember to make it easy for your customers to use your website. A complicated website will merely frustrate customers and turn them away.

Find a good hosting service for your website. There are many to choose from. Find someone reliable and with good service. You don't want your website to suffer from a lot of down time and be unusable. Many hosting providers offer various features, including online shopping carts and transaction processing. Look into these if you plan on doing online transactions. These features may save you some money.

Finally, don't underestimate the need for online marketing. Make sure your website is search engine optimized. You want your website to come up when certain key words are searched. Also, make sure you have your business listed extensively with online search engines and business sites. The larger the e-footprint you have, the more likely you are to attract customers.

### 13. Employment handbook and employee agreements.

If you will have employees in your business, you will need an employment handbook and signed employee agreements. Having an employee handbook for your business is like an instruction manual for your employees. It will allow you to include many more policies and procedures than what are typically found in an employment agreement alone. An employee handbook rarely needs to be changed, unless you decide to modify or implement a new policy. And even if you do, you can have your current employees sign off on the changes quite easily.

All employees should also sign an employment agreement. Employment agreements typically include noncompete clauses, confidentiality clauses, and other miscellaneous provisions to protect the business. You want to protect your company from any individual employee actions and an employee agreement is a great way to do that.

#### Conclusion

As stated before, the steps set forth in this e-book are specifically tailored for businesses being created in (Las Vegas) Nevada. However, only the specifics would change for use in another state/location. The goal of this information is to provide an outline for people looking to start a new business, but without any idea of *how* to start. This should provide the blueprint for starting a new business and give you the confidence and knowledge you need to make your dream a reality. There are certainly other areas that you should also consider (social media, branding, marketing, etc.) when starting a new business; however, this will get your business off the ground. Good luck and get to work!



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