

# Starting a Business - 10 Steps

<p><b>1. PLAN</b></p>	<p><i>(Writing a business plan is optional for sole proprietors/individual artists, but I highly recommend you put together a rough draft. The exercise of organizing your plans and expectations in writing is invaluable.)</i></p> <p>Summarize the business, the industry in general, who are competitors, Sales &amp; Marketing Strategy, Financial Needs, Growth Prospects.</p>
<p><b>2. NAME</b></p>	<p>Use your name, tag name, nickname, etc. Check with the Secretary of State <b>SOS.ca.gov</b> that it has not already been taken. Your business name <b>MUST</b> include your structure "Your Name Here, LLC"</p>
<p><b>3. LOCATION</b></p>	<p>Where are you going to do business? Working from home gives you rebates for your rent, mortgage, and WiFi – but can also come with extra responsibility and insurance risks. Research your options for best locations, co-ops, and look into rent-to-own equipment if need be.</p> <p>If you work throughout a specified location, consider a PO Box for your business.</p>
<p><b>4. STRUCTURE</b> \$20 fee + \$800 annual</p>	<p>Register your business with the Secretary of State, for California: <b>SOS.CA.GOV</b></p> <p>The process is fairly straight-forward for a single person entity. Most creatives starting out will register as a Sole Proprietor, or LLC (for individuals, "SMLLC - Disregarded Entities")</p> <p><i>*For \$50k income or more, talk to your CPA about S-Corp</i></p>
<p><b>5. TIN / EIN</b> \$0</p>	<p>Sole Proprietors can usually get by using their SSN, but I prefer to separate my business finances from my personal. Once you have #4 finalized, go to <b>IRS.GOV</b> for your EIN number. You get a number almost immediately.</p>
<p><b>6. DBA</b> \$10-100</p>	<p>May be <b>REQUIRED</b> for some Sole Proprietors working under a different name. This is otherwise <b>OPTIONAL</b> – some LLC's will use a DBA for marketing purposes (a DBA will be listed under county business registry) or for separate products (your main business makes ceramic figures, but you also DJ on the side. You may wish to have a DBA for the side project)</p>
<p><b>7. BANK</b></p>	<p>I highly suggest separate accounts (bank, Venmo, Paypal, Etc) for your business. This will make tax time that much easier, and help you separate your personal household receipts from your business expenses &amp; write offs.</p>
<p><b>8. LICENSE</b> \$75 BOT \$30+ Sellers</p>	<p>Sacramento has a <b>Business Operations Tax (BOT)</b> instead of a business license, amount based on income. Go to <a href="http://sacramento.hdlgov.com">sacramento.hdlgov.com</a></p> <p>If you are selling any kind of physical item, you will also need a <b>Sellers Permit</b> (and be sure to charge <i>correct</i> sales tax!) Apply at <a href="http://onlineservices.cdtfa.ca.gov">onlineservices.cdtfa.ca.gov</a></p>
<p><b>9. INSURANCE</b> \$250-\$2000 annually</p>	<p>What happens if you lose your workspace and all of your equipment? Get insurance to replace your supplies, repair your studio, and cover your lost income. You may need separate coverage for studio &amp; supplies, professional liability (service/education), and lost income of finished products <b>basic coverage will only cover the cost of the blank canvas NOT the price of a finished painting.</b></p> <p>A good place to start: <a href="http://cerfplus.org/studio-protector/artist-insurance/">cerfplus.org/studio-protector/artist-insurance/</a></p>
<p><b>10. MARKET</b></p>	<p>Get a website, keep it up to date, and utilize free SEO analytics.</p> <p>Promote with a mixture of digital and print.</p> <p>Figure out who/where your market is, get it dialed in – <i>1000 loyal &amp; responsive customers are more valuable than 1 million random views</i> –</p> <p>Get your elevator speech together, and show people the value of what you do.</p>