Starting a Business Made Simple: A Practical Toolkit

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Starting a business is exciting — but it can also feel overwhelming when you're faced with critical decisions and don't know where to begin. This toolkit is a practical, step-by-step guide designed specifically for new entrepreneurs. From choosing the right business structure and securing permits to drafting essential agreements, this toolkit gives you the clarity and confidence to build a strong foundation for success. Ready to turn your vision into reality?

Decide on the Best Business Structure

Figure out which business structure is the best fit. Common choices are sole proprietorship, partnership, limited liability company (LLC), and corporation. This may mean consulting with an attorney and with an accountant about the different options, but each business structure has its pros and cons. It's essential to understand the pros and cons, then weigh them before deciding how to structure the business.

Make Sure the Business Entity is Set Up Correctly

Be aware of the requirements for forming corporate entities to ensure the business is properly set up. In some states, there may be publication requirements. For instance, in New York, a limited liability company must publish a notice within 120 days of the initial articles of organization becoming effective, as follows:

"published once in each week for six successive weeks, in two newspapers of the county in which the office of the limited liability company is located, one newspaper to be printed weekly and one newspaper to be printed daily."

These requirements may be burdensome, but it's important to follow them. In New York, a court may pause a case if the company is not properly formed and therefore cannot bring its claims against the defendant.

Research the Licenses or Permits Needed for the Business

Licensing and permitting can be tricky. Fortunately, many cities and states have set up portals or guides to help you determine whether your business requires a permit or a license to operate in the city or state. If you are operating a business in a niche area, however, it may take additional research to find concrete answers to whether your business needs a license or permit.

Research the Tax Obligations for the Business

There may be federal, state, and local taxes that apply to the business. The United States Small Business Administration is an excellent resource for starting that process, but conferring with an accountant and tax attorney may help to provide a more comprehensive understanding of those tax requirements.

Be Thoughtful When Anyone Else Begins Working for the Business

If that person is an employee, there are wage and hour laws, anti-discrimination laws, and other laws that apply. If you don't want that person to be an employee, you should have an agreement in place that clarifies the relationship (and make sure you know any other legal requirements such as whether the person is an independent contractor).

Particularly when a small business is just getting started and the first people working there are friends or family members, having written agreements with them seems too formal and unnecessary. In the early stages, everyone may have a clear understanding of how they fit into the business, and there isn't room for disagreements. But as the business grows, those understandings may change, and conflicts may arise. When there's a conflict like that, the business may be vulnerable without a written agreement clarifying the terms of the person's involvement.

Put Written Contracts in Place with Everyone You Do Business With

Many businesses initially rely on phone calls or face-to-face conversations to get things done. That informal way of doing business may seem acceptable since the business is just beginning, but such discussions can lead to problems, misunderstandings, and leave the business without any legal remedies. Whenever there is a relationship between your business and others, it is essential to have an agreement in writing—even if it's just an email or text message exchange.

Conclusion

By laying a solid foundation — choosing the right structure, meeting legal requirements, understanding obligations, and putting clear agreements in place — new entrepreneurs can avoid early pitfalls and focus on building a strong, sustainable business.