

STEPS IN STARTING A NEW BUSINESS IN KENTUCKY

1. Write a business plan and secure funding.
2. Select a business name and choose an operating entity.
3. Register with the County Clerk and the Secretary of State.
4. Obtain a federal employer identification number (EIN) from the IRS, if appropriate.
5. Establish a business checking account. Consider a business savings account.
6. Register any trademarks or service marks with the Secretary of State.
7. Secure a zoning license/certificate of occupancy from the local zoning department.
 - a. Permits for any remodeling or new construction.
 - b. Sign permits for any exterior signage.
8. Obtain city and county occupational/business licenses.
9. Register with the Kentucky Revenue Cabinet as required for the following:
 - a. Kentucky General Business License if you collect sales tax.
 - b. Any business with employees or any business other than a sole proprietorship.
10. If you have employees, do the following:
 - a. Register with the Kentucky Department for Employment Services.
 - b. Purchase workers' compensation insurance from an insurance agent.
 - c. Report new employees immediately to KY New Hire Reporting (800.817.2262).
11. Check with the Business Information Clearinghouse (800.626.2250), the Secretary of State, & local city and county clerks to determine if any special licenses are required for your business.
12. Secure liability insurance and other coverage appropriate for your business.

USEFUL INTERNET SITES FOR START-UP INFORMATION

Kentucky Small Business Development Center:
Kentucky Secretary of State One Stop Licensing:
Kentucky Revenue Cabinet:
Internal Revenue Service:
U.S. Small Business Administration:

www.ksbdc.org
www.sos.state.ky.us
<http://revenue.state.ky.us>
www.irs.gov
www.sba.gov

Business Plan Outline

Cover Letter/Executive Summary

Start with a cover letter addressed to the person you are meeting with to review your plan. Include a brief description of your project, anticipated sales volume and the amount of funding you are seeking. State the full legal name of the business, its address and all communications connections (phone, fax, e-mail, web site).

Ownership and Structure

State the firm's legal structure (S Corp, LLC & etc.) and provide the names of all owners and their percentage of ownership.

Description of the Business

Begin with an overview of your operations: what you do; where you do it; and, how you do it. Be descriptive. Educate the reader about the industry, assuming they know nothing. Give a brief history of the business or industry emphasizing growth in sales and customer base. Describe the product/service that you sell. Comment on quality, price and features that set you apart from your competition. Define your customer base and your tactics for selling to them.

Location

Describe your facility and explain why it is appropriate for your business and how long it will continue to meet your needs.

Management and Personnel

Briefly describe the backgrounds of key management personnel in your business. Include their resumes in an appendix. Explain how many employees you need to start and project to hire in the future. Describe their skill levels, the types of jobs they will be doing, and how readily they can be replaced.

Inventory/Suppliers

State who your key suppliers are and describe your relationship with them.

Economics and Accounting

Explain how you make money in your business, i.e. what your gross and net profit margins are. Explain how prices are determined and how you control your cost of sales. Explain your internal accounting procedures, identify your CPA, and explain what work she/he does for you.

Market Analysis

Identify your market and describe your expected share of the market. Describe each segment in detail. Explain why customers need/benefit from your products.

Current Marketing Strategies

Explain your overall competitive advantage and the combination of specific tactics that you will utilize to reach your target market (sales reps, direct mail, targeted ads & etc.)

Competition

Provide detailed information on your competition, direct and indirect.

Growth Strategies

Explain the strategies that you plan to use to continue growing, i.e. new product lines, new locations & etc.

Financial Data

Include full financial projections for three years (income statement, balance sheet, & cash flow statements) by month. Include an explanation of how you projected sales (anticipated units sold, actual financial data from similar businesses & etc.).