

# Before you Start a Business Checklist

101 W. Main Street, Suite 800, Norfolk, VA 23510 | [www.hrsbdc.org](http://www.hrsbdc.org) | 757-664-2592

Updated: July 2024

- 1. Ideation  
Step one in your business journey! This is the stage where you brainstorm and develop your business idea and evaluate if your business idea can generate ongoing revenue.
- 2. Research  
Market research is critical! Research will help you learn more about your business industry (retail, manufacturing, restaurant, tech, etc.) and identify competitors. It also helps shape the Value Proposition (#4) that will enable you to carve out your own corner of the market.
- 3. Define your Target Market  
Target Market describes your perfect customer. Not everyone will be your customer; it is important to narrow your advertising and outreach to the person or people who will most likely desire your product or service. Defining and assessing your Target Market gives you focus and helps you reach your prime audience most effectively and affordably.
- 4. Create a Strong Value Proposition  
Value Proposition is what sets you apart from your competitors. It distinguishes how your business brings unique value to your customers - are you better, faster, smarter, cheaper? Generally speaking, your Value Proposition informs your Brand and the two are inseparable.
- 5. Evaluate your Finances and Clearly Identify your Operating Capital  
When starting a business, your personal finances and outside funding will dictate your initial operating capital aka the money you will need to start and operate your business for the first three to six months. A realistic picture of your personal financial situation will also allow you to determine if your business idea can produce enough revenue to sustain your personal needs.
- 6. Research the Tax Implications of your New Business  
Understanding tax compliance and the tax implications of your business structure from day one is paramount for a budding Entrepreneur. A significant number of new businesses experience cash flow issues because they receive unexpected tax bills related to the structure of their business. Sole proprietors have different tax obligations than LLCs than S or C-Corps.
- 7. Evaluate the Risk  
The risk involved with being an Entrepreneur is real. Statistics show that 50% of small businesses will close within 5 years of opening. Consider this risk as you evaluate your personal finances and your personal risk/reward mindset.
- 8. Find Business Advisors/Mentors  
There are numerous resources available to assist you in starting a business; some are free and some are fee based. Find one or more trusted Advisors/Mentors that match your business style and understand your vision for your company. Here are a few options: SBA, SBDC, SCORE, SBSD, ODU IIE, NSU IC, The Entrepreneurship Hub at W&M.
- 9. Timing is Everything  
Complete a personal evaluation to determine if this is the right time for you personally and professionally to start a new business. Owning a business is a significant commitment so ensure you are prepared to commit 100% when you are ready.
- 10. GET TO WORK