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YOUR BUSINESS

How to Start a Business from Scratch

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So, you want to start a business. You've worked for years for someone else, now you want to do your own thing. It's hard work for sure, but it might be the most rewarding thing you've ever done if you're successful at it. Whether it's a flower shop, a bakery, a consulting firm, a digital marketing agency, or a bait and tackle shop, your passion is your business. Are you ready to make your passion work for you?

Research

It's the greatest idea since the wheel in your head, but if no one is buying into it, you'll fail. Take the pulse of the community, if it's a shop or a local business. If you live in the area where your business might be, you probably have a good idea what's there and isn't there. If it's exclusively an online business, see who else is doing it. If so, can you do better? Google and Bing are your friends. Ask yourself some basic questions:

- 1 Will the community (online or local) support your vision, product or service?
- 2 Can you compete?
- 3 Can you offer a superior product or service?

Develop a Business Plan

Having a fleshed out business plan is essential before you start anything. A potential partner, investor, or lender may want to see or discuss this plan with you before they hop onboard. It need not be a 100-page document with infographics or pie charts, it can be brief as long as it conveys both the spirit of your vision and how you intend to get there. What should it include?

- 1 A Mission Statement
- 2 Description of Your Company
- 3 Products and/or Services Offered
- 4 Market Analysis
- 5 Operating Strategy
- 6 Cash Flow and Revenue Projections

Finance Matters

Raising the capital to start your business may be a challenge, but there are several ways to go about it. The easiest way is through personal savings. You've saved all your life to start your own business, right? Bust open that piggy bank. Of course, this may not be too realistic for some. Here are some other choices.

- 1 **Banks.** Getting a business loan or line of credit will be difficult for a start-up. But, that doesn't mean you shouldn't try. This is when you really need to sell yourself and your business idea. It might be easier to get the bank support after you're up and running for a few years and making a profit.
- 2 **Family and Friends.** If you think your idea is awesome, tell them so. It might be the easiest ask you'll have, but it's also personal: they might want a stake in it, if it really takes off. Make sure to pay them off first, if and when the cash starts coming in.

Legal Stuff

No matter the size of your company, you'll need to address some legalities. Will someone steal your idea or business name? How will you pay taxes? What if one of your employees hurts themselves on the job? These are just some of the questions you should ask yourself, before diving in. Here a few nuggets to consider:

- 1 **Sole Proprietorship, LLC (limited liability company), Partnership or Corporation.** Many of the legal requirements and tax implications will depend on how you define your business.
- 2 **Register.** You'll want to register with the state or county your DBA ("doing business as"), with the IRS for your federal and state tax ID numbers, and you might want to trademark your business name.
- 3 **Permits.** Depending on your type of business, you may need permits: sales tax or seller's permits, zoning or sign permits, fire safety permits, health permits for food related businesses, are just a few.
- 4 **Insurance.** You probably need general liability and property insurance. If you're employing a staff, you'll also need workers' compensation insurance as well.

It's best to consult a lawyer if some of the above may seem complicated.

Marketing Plan

Word of mouth is a great marketing tool, but you'll also need a plan. The digital landscape offers many routes to explore, but that doesn't mean you should ignore the old-fashioned staples. Here are some things to consider:

- 1 **Launch a website.** If you'll be selling goods or booking appointments on your site, things might get a little complicated, but that shouldn't sway you from getting it done. Leave room to grow. You can always go back and add bells, whistles and various functionalities to it if there's a need.
- 2 **Social media.** You should have a presence on Facebook, at least. Other platforms might not be essential, but if you can accumulate a dedicated base of followers on Facebook, it will be super easy to communicate with them. Because they've elected to follow you, they're already interested in your goods or services.
- 3 **Paper is still relevant.** Your business cards will come in handy when you are networking or, quite frankly, out anywhere where the topic of "what do you do?" comes up. Also, a nice one-pager or postcard can be left at the local coffee shop bulletin board or a place of interest (example: ask to leave your Jet Ski rental business flyer at a local surf shop). Make sure your website's URL is easy to find on them.
- 4 **Advertising.** Find your audience and then let them discover you. Look to place ads in local publications of interest, trade magazines, local sports game-day programs, etc., signage (old-school and digital) in places of interest, and by targeting specific demographics with Facebook ads.

There's a lot to consider when starting your own business. Whether your storefront is on the corner or digital, be ready when the day comes to open your doors.

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