

Frequently Asked Questions

What does it take to be a small business owner?

Initiative; High Energy; Responsibility and Self Discipline;
Burning Desire to Succeed; Perseverance; Problem Solving;
Ability to Work Without a Lot of Help; Thrives on Ambiguity;
Persuasive; Understanding the Value of Money; Self-Confidence;
Market Awareness; Goal Setting.

What is a business plan and why do I need one? This is your business' resume and necessary because it makes you organize information about your company, identify your goals, and precisely define your business product or service. It is a required part of any loan application because it provides detailed information about your business and how you will repay any loans. It includes a balance sheet, income statement, and cash flow analysis.

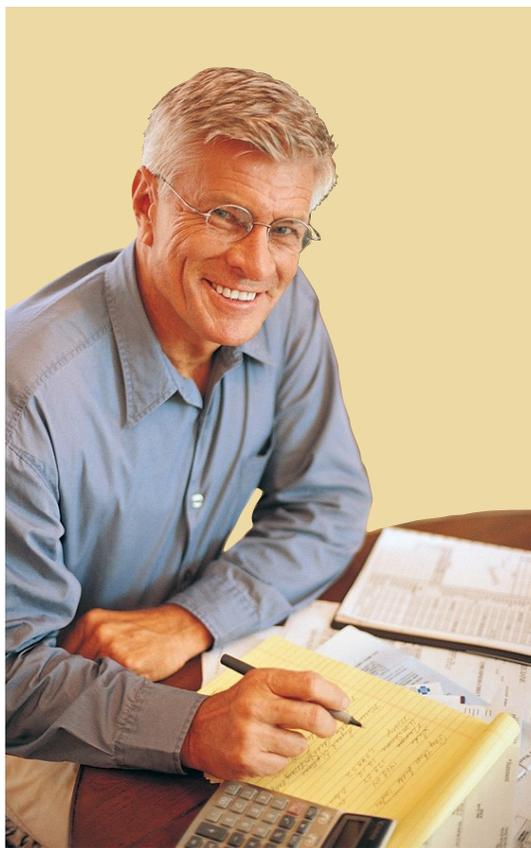
Do I need a business license? Yes. In Pacific County, you will need a Washington State business license at the minimum: <http://www.bls.dor.wa.gov/>. If you are doing business in any of the four incorporated cities, you will also need a business license from that city: See contact info at: Ilwaco: <http://bls.dor.wa.gov/cities/ilwaco.aspx>; Long Beach: <http://www.longbeachwa.gov/forms-online/>; Raymond: <http://www.cityofraymond.com/forms/BUSINESS%20LICENSE%20APPLICATION.pdf>; South Bend: www.southbend-wa.gov/images/forms/2015_Business_License_Application.pdf

Do I need to obtain a federal identification number? If you are a sole proprietor with no employees and you are using your own name in the business, you can just use your own Social Security Number. If you have employees or are a partnership or corporation, you must file Form SS-4 from the IRS or Social Security Administration. www.irs.gov/pub/irs-pdf/fss4.pdf

What business structure do I need? What is a corporation, LLC, LLP, etc...? Each business structure has its own advantages and disadvantages. You should consult an attorney, accountant, financial advisor, or banker to determine which would be best for your business. To see a description of each business structure, visit: http://www.sos.wa.gov/corps/registration_structures.aspx

What insurance should I have? See the small business information on the Office of the Insurance Commissioner's website: <https://www.insurance.wa.gov/your-insurance/business-insurance>

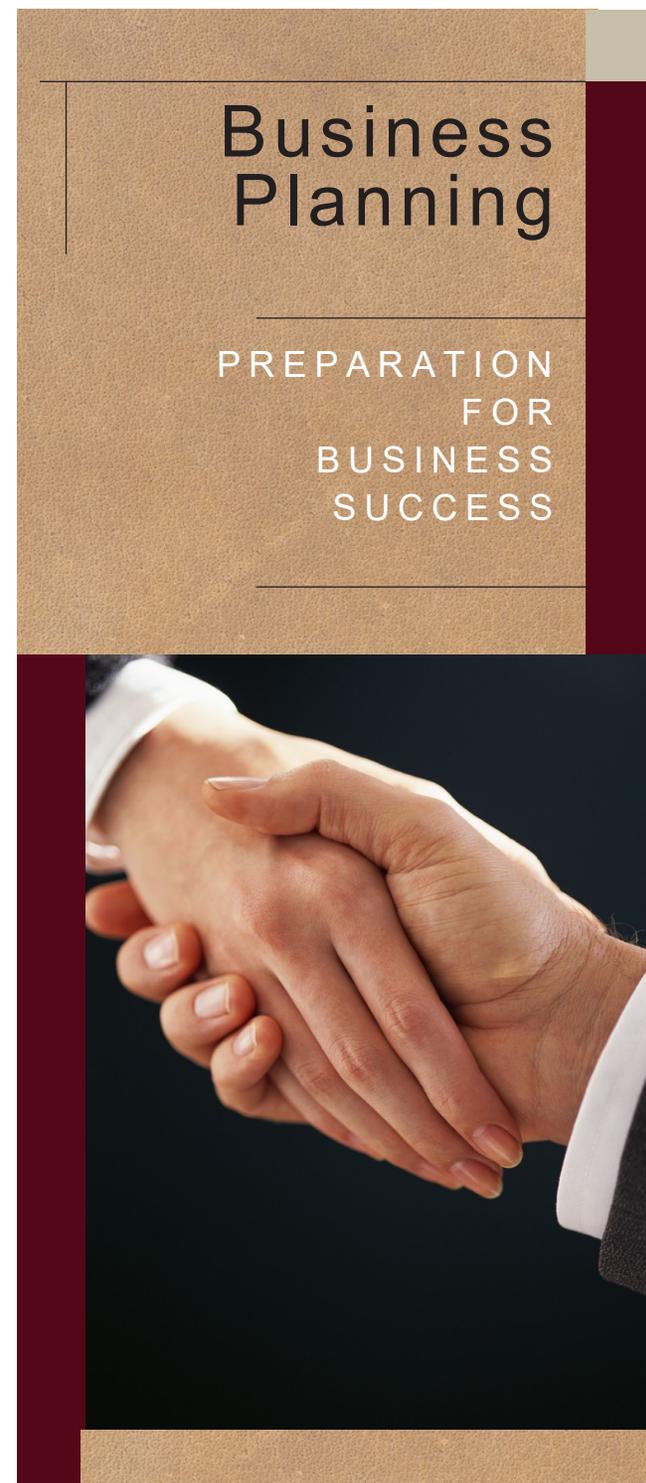
How do I obtain health insurance? The Office of the Insurance Commissioner has information on which companies offer individual insurance in each county, how to compare plans and what to do if you are turned down for coverage. <https://www.insurance.wa.gov/your-insurance/health-insurance>



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Business Checklist

- Begin Your Business:** <http://pacifeddc.org/business/> Has your business idea been thoroughly researched? What is your competitive edge? Identify your customer base: can it support you? Develop a personal budget and a 12 month projection.
 - Protect Your Business Idea**
Do you need a patent or trademark? US Patent and Trademark Office: www.uspto.gov/
 - Select Your Business Name And Structure:**
Trade Names: <http://bls.dor.wa.gov/tradename.aspx>
Business Structures: Sole Proprietorship, General Partnership, Limited Partnership, Limited Liability Partnership (LLP), Limited Liability Company (LLC), Corporation. <http://bls.dor.wa.gov/ownershipstructure.aspx>
 - Check State License Requirements:** <http://bls.dor.wa.gov/licensing.aspx>
 - Check Local License Requirements**
Doing business in one of Pacific County's four incorporated cities?
City of Ilwaco: (360) 642-3145
City of Long Beach: (360)642-4421
City of Raymond: (360) 942-4100
City of South Bend: (360) 875-6404
 - Check Zoning for Business Location – Pacific County:** <http://www.co.pacific.wa.us/ordres/Ordinance%20162%20Zoning.pdf>
 - Obtain Income Tax Information**
Consult an accountant
The IRS: www.irs.gov/businesses/index.html
Obtain Federal Tax I.D. number, if needed
 - Trade and Contractor Licensing:**
www.lni.wa.gov/TradesLicensing/default.asp
- Businesses with Employees**
- Obtain Federal Tax I.D. Number**, if not applied for at step 7.
 - Obtain Withholding Exemption Certificate (W-4 Form)** For Each Employee from IRS: www.irs.gov/
 - Obtain Immigration and Naturalization I-9 Forms** For Each Employee
US Citizenship and Immigration Services:
www.uscis.gov/graphics/formsfee/forms/files/i-9.pdf
 - Contact Bureau of Labor and Industries For Employer Information:**
www.lni.wa.gov/
 - Obtain Workers' Compensation Insurance:** www.lni.wa.gov/ClaimsIns/default.asp

Business Planning—Planning *Your* Business Idea

The PCEDC offers the client a single point of contact. We will help you navigate the challenges of expansion and relocation or startup of your business.

The following example “Business Plan/Financing Proposal” is only one of many formats. We believe that preparing and maintaining a business plan is important for any business regardless of its size or nature. The primary value of your business plan will be to create a written outline that evaluates all aspects of the economic viability of your business venture including a description and analysis of your business prospects .

Business Plan / Financing Proposal

Description of Business (Executive Summary)

- a. What is your product or service?
- b. If it is a product, where do you get it?
- c. What is the status of your business: Is your business a start-up? An expansion? Or a buy-out of an existing business?
- d. What is the form of your business: sole proprietorship, partnership, corporation? Why did you choose that particular form?

II. Market

- a. Who is your market?
- b. What is the present size of the market?
- c. Is there a dominant company in the market?
- d. How are you planning to reach your market?
- e. What will the market buy from your company?
- f. Have you done any test marketing?
- g. What is the future outlook of the market?
- h. How do you price your product, service or merchandise to make a fair profit and, at the same time, be competitive?
- i. Where are you getting your data for the above marketing questions?

III. Competition

- a. Who are your nearest competitors?
- b. How will your operation be better than theirs?
- c. How is their business: Steady? Increasing? Decreasing? Why?
- d. How are their operations similar and dissimilar to yours?
- e. What are their strengths and/or weaknesses in relation to your company?

IV. Location of business

- a. Is your business location leased or owned? Why? What are the terms?
- b. If renovations are needed, what are they? What is the expected cost?

- c. Does zoning permit your kind of business?
- d. Does your location meet your market requirements?

V. Management

- a. What is your expertise in the field?
- b. Include resume and job descriptions of key employees along with yours.
- c. List the names of your lawyer, accountant, insurance company and banker.
- d. How have you used each one of the above? Have they seen and reviewed this business plan?

VI. Personnel

- a. What are your personnel needs now? In the near future?
- b. How are you going to attract employees?
- c. What skills must they have?
- d. Full or part time? Salaries or hourly wages?
- e. Fringe benefits? How much will it cost?
- f. Will you have to train people? If so, at what cost to the business?

VII. Financial Statements

- a. Furnish the following information:
 1. Example letter for financing
 2. Personal financial statements
 3. 12 month projection
 4. Balance sheet
 5. Profit and Loss Statement
 6. Interim statement no older than 90 days
 7. Equipment list with cost and present value
 8. Breakeven computation
 9. Cash Flow
 10. Last 3 years of tax returns
 11. Sources and uses of capital

Source: Western Massachusetts Regional Small Business Development Center

Why Business Planning? Avoid most common pitfalls (inadequate planning, poor market research, lack of practical experience) **Preparation-Planning shows your destination** (comprehensive business plan, research spending habits, talk with potential customers, right location, cash flow, accounting system) **Give bankers what they expect** (business plan, 35-45% capital investment, list of collateral to secure loan **Business Plan Includes** (business description, marketing, acquisition, production, legal (sole proprietorship), financial.)