



# Starting a Home-Based Business

Whether you're starting a home-based business due to financial considerations or for another reason, you can use this checklist to help you figure out whether or not working from home is the right option for you. It will also help you determine what you need to do to get set up officially, including creating a great working environment.

## 1. Assess your situation

Before you take a look at the legal side of starting a home-based business, take a look at your own situation to determine whether or not this is the right move for you.

- ☐ Take some time to figure out whether this is the right option for you. Ask yourself:
  - ☐ Can I work and live in the same area?
  - ☐ Is there a space I can make "my own" in my home?
  - ☐ Is there enough physical space?
  - ☐ Is this the right working environment for me?
  - ☐ Are there adjustments I will need to make to create this personal workspace?
  - ☐ Can I afford the cost of any adjustments that need to be made?
  - ☐ Is my family OK with this?
  - ☐ Are my neighbors OK with this?
  - ☐ Will I have a lot of foot traffic? Do I have the setup to accommodate bringing clients or customers into my home?
- ☐ Assess your own strengths and weaknesses
- ☐ Make sure you can legally start a business from home:
  - ☐ Check zoning laws in your area and ensure your home is "zoned" for business practices
  - ☐ Find out if there are limitations on the size of signs you're allowed to place outside your home, and if you're allowed to do this at all
- ☐ Identify any technology needs you may have (and whether or not you're equipped to meet them) such as:
  - ☐ High-speed internet with a reliable connection
  - ☐ A dedicated phone line
  - ☐ Good lighting
  - ☐ A computer or monitor that won't strain your eyes

## 2. Make your business official

Now that you're certain you want to (and can legally) operate a business out of your home, it's time to knuckle down and get your business registered with the appropriate authorities.

- ☐ Register your business name
- ☐ Choose a legal structure for your business and register your business (sole proprietor is a popular entity for many home-based entrepreneurs)
- ☐ Obtain the appropriate licenses and permits
- ☐ Obtain your federal business tax ID number (often referred to as your EIN) if necessary
- ☐ Set up a business bank account
- ☐ Protect any intellectual property you may own by applying for copyrights, trademarks, or patents
- ☐ Find an attorney if you need help with any aspects of getting set up legally

## 3. Plan for success

It has been proven that planning makes you more successful. Beyond writing a business plan to acquire funding (if that's what you need), a business plan can help keep you on track to meet your milestones and goals.

- ☐ To begin with, determine what type of business plan is right for you
- ☐ If you're writing a plan to obtain funding, opt for a formal business plan
  - ☐ Follow the standard business plan outline in this event
- ☐ If you don't have a business plan event, start with a One-Page Pitch
  - ☐ Once you've built out your Pitch, continue working on creating your Lean Plan

## 4. Begin building out your working environment

By now you're getting pretty excited. Your business is a real thing—legally speaking—and you're almost ready to actually start doing business! Before you can open your doors, however, you need to get your home office in order. Here's a basic list of the things you will need to consider purchasing.

- ☐ Computer, laptop, or tablet
- ☐ Point of sale system (if necessary)
- ☐ Credit card processor (if necessary)
- ☐ Landline phone or mobile phone (VoIP if you're doing a lot of international business)
- ☐ Business phone system
- ☐ Headsets or earbuds
- ☐ A printer, scanner, copier, or fax machine (depending on your needs)
- ☐ Important software:
  - ☐ Business planning and management software
  - ☐ Antivirus software
  - ☐ Microsoft Office, or a similar suite with word processing, spreadsheet, and presentation functionality
  - ☐ Accounting or bookkeeping software
  - ☐ Invoicing software
  - ☐ Customer relationship management software
  - ☐ Project and resource management solutions
- ☐ Internet connection
  - ☐ Buy a good wireless router
  - ☐ Buy an external hard drive or organize cloud-based backups of your data
- ☐ Stationery (pens, pencils, paper, staplers, tape, hole punch, sticky notes, laminator, and so on)
- ☐ Furniture
  - ☐ Desk or work table
  - ☐ Ergonomically-correct desk chair
  - ☐ Lamps (though good natural lighting in the day is important)

- ☐ Ergonomic equipment: wrist rests, monitor risers, footrests, and so on
- ☐ Additional seating if you'll be bringing clients into the office (you may also need a meeting table if this is the case)
- ☐ Filing cabinets or a storage system
- ☐ Storage space if you're selling goods
- ☐ A "do not disturb" indicator of some sort (maybe a sign for the door so family members know not to disturb)
- ☐ Shipping and packing materials
  - ☐ Boxes, envelopes, bubble wrap, tape, stamps
  - ☐ Postal scale
  - ☐ Online mailing account (this will let you print mailing labels at home and schedule your packages for pickup)
- ☐ Additional equipment specific to your industry

## 5. Legitimize your business operations

One of the difficulties of launching a business from home is coming off as credible. While not impossible, you may have to work a lot harder at this than someone who has a separate office. That said, there are a number of things you can do to establish a professional reputation.

- ☐ Obtain a business mailbox (this will give you a street address and help you get found in search results, and you won't have to use your home address or an impersonal P.O. Box)
- ☐ Invest in printed marketing materials
- ☐ Create a website
- ☐ Set up a business email account
- ☐ Build an active online presence (be your own PR person!)
- ☐ Share customer stories and experiences
- ☐ Find good business partners and people who will refer you



## 6. Open for business and start marketing

By now you've dotted all your i's and crossed your t's, and you're ready to start doing business! Of course, people may not yet know you even exist. Here are some of the things you can do to expedite the process.

- ☐ Create a marketing plan
- ☐ Network, a lot!
- ☐ Alert the press (reach out to local newspapers, radio stations, businesses, and so on)
- ☐ Come up with a compelling social media campaign to build brand awareness (a competition perhaps, or a giveaway)
- ☐ Start doing guerilla marketing
- ☐ Create a paid advertising campaign
- ☐ Order good offline marketing materials (signs you can place outside your home may be particularly important)
- ☐ Host an event (be sure to publicize the event after the fact to get that extra press)
- ☐ Feature discounts, special sales, or limited-time offerings

## 7. Practice good management from the start

The hard work isn't over now that you're up and running. In fact, it's essential to have good management practices right from the start.

- ☐ Keep your business plan updated
  - ☐ Conduct a monthly Plan Review Meeting (it might just be you in the meeting if you're a sole proprietor, but it's still important to review your plan regularly)
  - ☐ Set tangible benchmarks for your business and keep them updated
- ☐ Track your key metrics and know your numbers
- ☐ Stay on top of your bookkeeping
  - ☐ Hire a good small business accountant
- ☐ Keep an eye on important tax dates and save all records in the event that you're ever audited
  - ☐ Know what you can and can't deduct when it comes time to file taxes
  - ☐ Be aware of the most overlooked tax deductions

# Ready to Get Started?

Starting your own business may sound like an undertaking of epic proportions. The truth is, it doesn't have to be.



**Business Startup Checklist**

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Our free Business Startup Checklist includes over 80 tasks to help guide you through starting your own business. If you've been searching for a thorough list of to-do's that will help you move from your business idea to your first sale and beyond, this checklist is the perfect resource for you.