BusinessImpactNW

SMALL BUSINESS FINANCIAL EMPOWERMENT

Square One

Work for Yourself

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Business Impact NW

Small Business Services: Coaching, Classes and Capital for Entrepreneurs

Nonprofit CDFI since 1997. Serving Washington, Oregon, Idaho, and Alaska;

Our Mission: Grow businesses that create jobs in communities.

Our Vision: All business owners have an opportunity to succeed.

Our Values: Integrity, Community, Celebration

Dedicated to serving underbanked entrepreneurs; Our services are OPEN TO ALL.

We are here to help.

Funded in part through a Cooperative Agreement with the US Small Business Administration. All opinions, conclusions, or recommendations expressed are those of the author(s) and do not necessarily reflect the views of the SBA.

Business Impact NW is funded in part through a Cooperative Agreement with the US Small Business Administration. To unlock your access to all of our classes and gain the ability to receive free one-on-once coaching, register at: https://businessimpactnw.org/grow-your-business/coaching/
Our partnership with the U.S. Small Business Administration requires all clients to register with an online service request. This form also acts as a Confidentiality and Code of Conduct Agreement. All client information is held in strict confidence.
We offer business support services (training, coaching and classes) in Washington State, Oregon, Idaho, and Alaska through various technical assistance programs. We are open to all.

For more information:
Website: www.businessimpactnw.org
Training Calendar: Live and On-demand: https://businessimpactnw.org/events/
Email: coaching@businessimpactnw.org

Welcome to Square One: Work for Yourself!

Square One provides the basic information you will need to start your business. Square One includes these key learning units:

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Articulate Your Idea

You have an idea to move forward with and create a new business. You feel you have the necessary experience and credentials to make your new business work. What do you need to know and accomplish in order to get your new business up and running?

Knowing your 'why' is key to your future business success. Take time to identify the problem(s) your new business will solve. Explain how your business will solve that problem. Make meaning for your customers by focusing on how your new business will increase the quality of life for them, save them time and effort, or correct something that isn't working well for them right now.

Articulating your business idea includes asking yourself the important question of 'why your idea will solve an identified problem with the right solution for future customers'. As your business idea forms, it's important for you to articulate that idea and map your thoughts.

Business Model Canvas

The Business Model Canvas is a tool used for capturing your entrepreneurial ideas about starting a new business. You sketch your ideas onto a blank canvas and adds detail so that you can view your emerging business model with perspective. Using a Business Model Canvas allows you to invent, describe, define, challenge, and pivot your business idea into an actual business model. It gets all those great ideas out of your head and puts them onto paper.

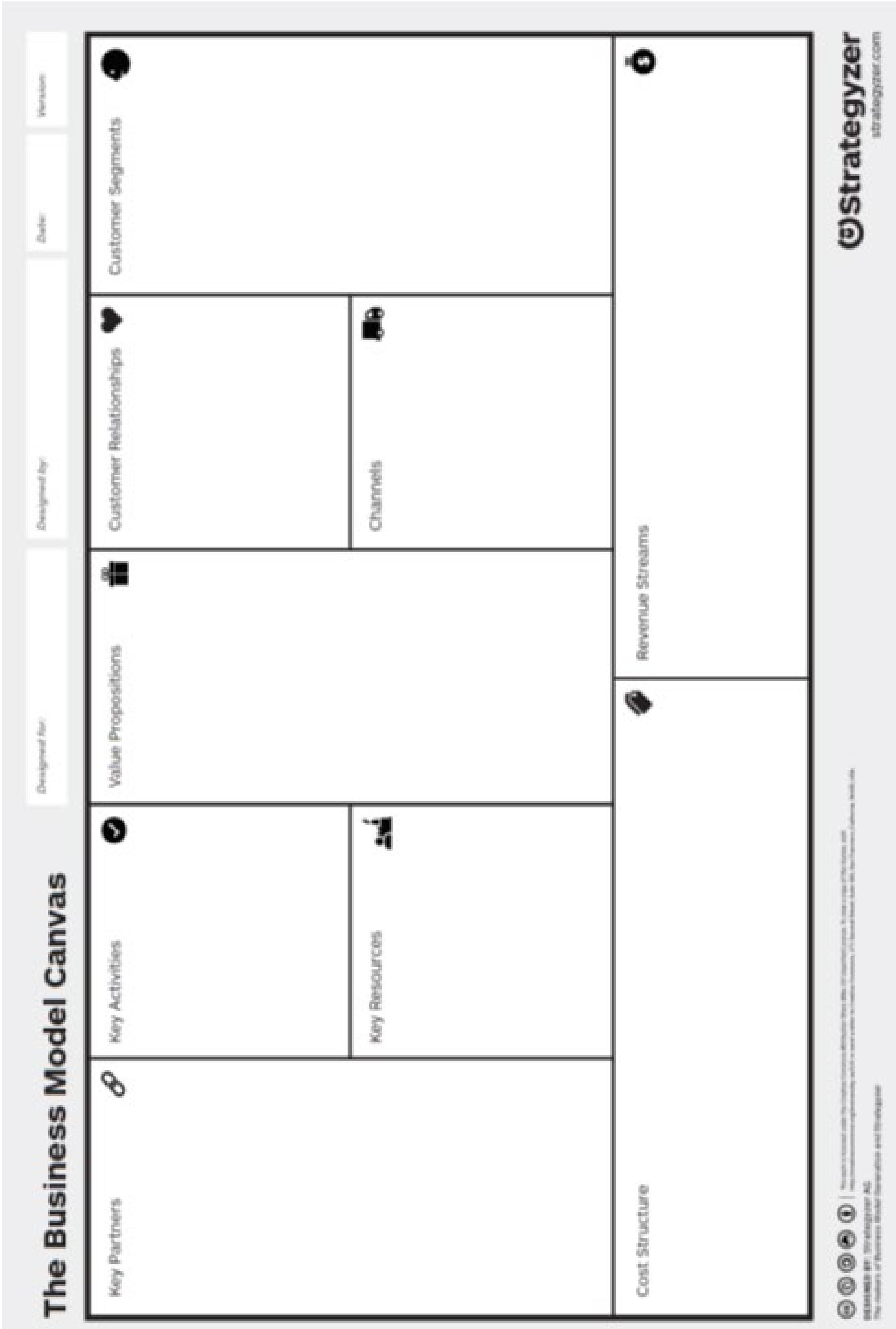
The Business Model Canvas has nine areas to help you articulate your idea and form it into a business model. These areas are your business:

- Customer Segments
- Value Proposition
- Channels
- Customer Relationships
- Revenue Streams
- Key Resources
- Key Activities
- Key Partners
- Cost Structures

Visit this link to watch a series of six videos which describe using the Business Model Canvas presented by Strategyzer. (https://youtu.be/wwShFsSFb-Y).

Think of using the Business Model Canvas as one step up from the brainstorming process. Once completed, your Business Model Canvas can be used to shape a business idea into a reality; help navigate an established business through growth and change; and guide the launch of new product or service additions to your business. Your business coach will support you to further develop your canvas.

Use the blank canvas on the next page to enter with your business responses. Include information on how your business will address each key area. Reference the second canvas which includes sample questions to ask yourself as you think through and compose your Business Model Canvas. The third canvas is a sample of a completed canvas.


The Business Model Canvas
Designed for:
Designed by:
Date:
Version:
Key Partners
Key Activities
Key Resources
Value Propositions
Customer Relationships
Channels
Customer Segments
Cost Structure
Revenue Streams
Strategyzer
strategyzer.com

The Business Model Canvas

Designed for:

Designed by:

Date:

Version:

Key Partners

Who are our Key Partners?
Who are our key suppliers?
Which Key Resources are we acquiring from partners?
Which Key Activities do partners perform?

MOTIVATIONS FOR PARTNERSHIPS
Optimization and economy
Reduction of risk and uncertainty
Acquisition of particular resources and activities

Key Activities

What Key Activities do our Value Propositions require?
Our Distribution Channels?
Customer Relationships?
Revenue streams?

CATEGORIES
Production
Problem Solving
Platform/Network

Key Resources

What Key Resources do our Value Propositions require?
Our Distribution Channels? Customer Relationships?
Revenue Streams?

TYPES OF RESOURCES
Physical
Intellectual (brand patents, copyrights, data)
Human
Financial

Value Propositions

What value do we deliver to the customer?
Which one of our customer's problems are we helping to solve?
What bundles of products and services are we offering to each Customer Segment?
Which customer needs are we satisfying?

CHARACTERISTICS
Newness
Performance
Customization
"Getting the Job Done"
Design
Brand/Status
Price
Cost Reduction
Risk Reduction
Accessibility
Convenience/Usability

Customer Relationships

What type of relationship does each of our Customer Segments expect us to establish and maintain with them?
Which ones have we established?
How are they integrated with the rest of our business model?
How costly are they?

EXAMPLES
Personal assistance
Dedicated Personal Assistance
Self-Service
Automated Services
Communities
Co-creation

Channels

Through which Channels do our Customer Segments want to be reached?
How are we reaching them now?
How are our Channels integrated?
Which ones work best?
Which ones are most cost-efficient?
How are we integrating them with customer routines?

CHANNEL PHASES
1. Awareness
2. Evaluation
3. Purchase
4. Delivery
5. After sales

Customer Segments

For whom are we creating value?
Who are our most important customers?

Mass Market
Niche Market
Segmented
Diversified
Multi-sided Platform

Cost Structure

What are the most important costs inherent in our business model?
Which Key Resources are most expensive?
Which Key Activities are most expensive?

IS YOUR BUSINESS MORE
Cost Driven (leanest cost structure, low price value proposition, maximum automation, extensive outsourcing)
Value Driven (focused on value creation, premium value proposition)

SAMPLE CHARACTERISTICS
Fixed Costs (salaries, rents, utilities), Variable costs, Economies of scale, Economies of scope

Revenue Streams

For what value are our customers really willing to pay?
For what do they currently pay?
How are they currently paying?
How would they prefer to pay?
How much does each Revenue Stream contribute to overall revenues?

TYPES: Asset sale, Usage fee, Subscription Fees, Lending/Renting/Leasing, Licensing, Brokerage fees, Advertising
FIXED PRICING: List Price, Product feature dependent, Customer segment dependent, Volume dependent
DYNAMIC PRICING: Negotiation (bargaining), Yield Management, Real-time-Market

Designed by: Business Model Foundry AG (www.businessmodelgeneration.com/canvas)

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http://creativecommons.org/licenses/by-sa/3.0/ or send a letter to Creative Commons, 171 Second Street, Suite 300, San Francisco, California, 94105, USA.

Excel implementation by: Neos Chronos Limited (https://neoschronos.com/)

The Business Model Canvas

Designed for: BIN's Magic Food Truck
Designed by: Business Impact NW
Date: 3-2021
Version:

Key Partners

- Grade AAA Cattle Co
- Pacific Coast Harvest
- Jones Soda Co
- Caffe Vita Coffee Roasters
- Seattle Credit Union
- Accurate Accounting, LLC
- Best Legal, LLC
- Biz Insurance Co
- Amazon
- Expedia
- Seattle Farmers Markets
- A-1 Commissary Kitchen, LLC

Key Activities

- Lunch and Dinner Services each weekday
- Weekend Special Events
- Food Truck Scheduling/Booking
- Rotating Menu Planning
- Marketing
- Managing Food Truck Team

Key Resources

- Food and Beverage ingredients
- Food Truck
- Kitchen
- Technology platforms for scheduling/booking/communicating with customers

Value Propositions

Mobile kitchen offering culturally-themed, high-end menus that rotate every month

- Limited, short term offerings
- Premium ingredients
- Unique pop-up location settings
- Culturally diverse

Customer Relationships

- Website
- Social Media
- Text Messaging Platform
- Email List
- Blog
- Special Invitation/Lottery System

Channels

- Farmers Markets
- Corporate Offices
- Local Retail Grocery
- Special Events
- Unique Pop-Up Locations

Customer Segments

Young professional 21-35, $90-150k per year, enjoys eating out with coworkers 2-3 times a week

Middle-aged couples, 35-50, combined income $200-300k per year, enjoys eating fancy meals out 1-2 times a week

30-60 year old, at-home cook looking to expand into preparing culturally diverse recipes but doesn't have time to prepare complex sauces and stocks (packaged sauce products)

Cost Structure

- Food and beverage costs
- Food Truck and Maintenance/Service
- Commissary Kitchen Rental
- Technology platforms and website
- Marketing
- Insurance/Legal/Accounting

Revenue Streams

- Food & Beverage Sales: Farmers Markets; Lunch/Dinner Stops; Catering
- Special Event Bookings: Weddings; Private Events; Pop-Ups
- Packaged Food Sales: Special Sauce
- Merchandise: T-Shirts; Insulated Mugs
- Food Truck Rental

Refine Your Concept

A Business Plan takes your Business Model Canvas even further. Once you have the sketch of your business idea on your canvas, it's time to fully write out your plan in a document. The Business Plan is an important written tool used to start, launch, and grow your business, and it will help your business thrive. Think of your Business Plan as a 'roadmap to your future business success'.

To run a business successfully, you need to know 'where you want to go, why you want to go there, how you will get there, who will ride along with you, what you are bringing with you, and when you will arrive'. An effective Business Plan can help you avoid new business dead-ends, roadblocks, detours, and potential cliffs along the way. A well-crafted business plan, prepared with thought and research, helps keep your business on the highway to success.

Business Plan Sections

A Business Plan includes several important sections.

- Executive Summary
- General Company Description*
- Products and Services*
- Market and Competitors*
- Marketing Strategy*
- Business Operations Plan
- Management and Organization*
- Overall Schedule
- Critical Risks and Problems
- Personal Financial Statements*
- Financial History*
- Financial Plan*
- Technology Plan
- Appendices

(* These sections and their components must be completed prior to applying for a loan with Business Impact NW.)

Let's explain the purpose and content of each section in your written Business Plan.

Executive Summary

This section of the Business Plan is written after all other sections have been drafted and completed. It provides a one-to-three paragraph summary of the other sections in the plan. Make this section brief and concise. At a minimum, you should include the following:

- State the legal business name, business address, business phone number, and legal form of business (Sole Proprietorship, Partnership, Limited Liability Company (LLC), S-Corporation or Corporation), and business tax ID number.
- State the owner's name (If more than one person holds 20% or more of ownership list this person(s) as well)
- Explain the purpose of the business plan (Feasibility Plan, Funding Request, etc.)
- Identify the business capital needs (If applying for a loan, state the desired dollar amount, the desired term of loan, your collateral, and your repayment plan).

General Company Description

This section of the Business Plan provides the basic information of your business. It conveys the facts—pure and simple. In this section, you will:

- Identify the business vision, the business mission statement, and business goals.
- Identify the nature of the business.
- If this is an existing business, provide a brief history of the company (keep this section short)
- State the business founder's name and any prior owners.
- State the number of current employees.
- Cite the company's major successes or achievements to date (For example, sales volume, customer volume and retention, community image, business reputation, etc.)
- Identify the date of opening the business (If acquired, state the date of business acquisition and the length of time the business has operated under your ownership).

Products or Services

This section of your Business Plan provides an easy-to-understand description and a list of the products and services your business offers. In this section, you will:

- State the principal products and/or services offered (If applicable, briefly describe your inventory)
- List the prices for your products/services.
- Define your products/services quality levels.
- Include a price sheet.

- Explain what makes your products/services attractive to customers and buyers.
- Identify your future business growth or diversification plans.
- Define your business goals for annual sales growth and profits.
- Relate these goals to the business's actual past performance.
- Define unique features of your business's products or services.

Market and Competitors

This section of your Business Plan defines which markets exist for your business. It explains who will want to buy your services or products. It establishes that you know your target market and are ready to enter that market and successfully compete. This section has several components and sub-sections which are described below. It is important that you do your research to provide a solid analysis in preparing this section of your Business Plan.

Industry

This sub-section includes citing the national industry and/or local industries your business represents. In this sub-section you will:

- State the total sales in the industry (market)
- Provide a detailed breakdown of industry sales for the current year and for the past five years.
- Include the cost of goods sold (COGS) and the pretax profit by product line or service(s) that contribute more than 10% to your business in pretax profits.
- Explain if the industry is growing, or not, and to what degree.
- Cite the typical gross margins in the industry (market)
- Cite the average profitability in the industry (market)
- Define the barriers to entering this industry and this market.
- Identify business factors to succeed have to do well to succeed.

Competitors

This sub-section is a comparison of your major competitors. Before you write it, you will first identify what you already know, then conduct thorough research to gain a deeper knowledge about what you may not know yet but will need to know. In this sub-section, you will:

- Name your major competitors and their business location(s)
- Identify which additional businesses compete for your desired dollars (remember that competitors are not always companies that do the exact same thing you do)
- Describe your competitors' reputations.

- Explain how your business's reputation compares (or will compare) to that of your competitors.
- Define the competitors' level of customer loyalty.
- Explain your tactics to acquire those same customers and gain their loyalty to your business.
- Compare and contrast the competitors' quality to yours
- Compare and contrast the competitors' pricing to yours
- Explain the size of the competitors' market share.
- Explain how your competitors market their businesses.
- Describe how the competitors' businesses are managed, and, if they do this well, how you can tell.
- Cite the competitors' tools used to run their businesses (equipment, materials, software, etc.) and the effectiveness.
- Define why your product/service is attractive and/or unique in comparison to that of the competition.

Customers and Target Markets

This sub-section provides an in-depth explanation of your specific customer profile in the marketplace. In this sub-section, you will:

- Define your target market of customers and their location.
- Define your customers' expectations for finding your business.
- Define your customers' expectations for purchasing your goods or services on-line, in physical retail locations, or both.
- Explain the price sensitivity of your customers.
- Explain the quality consciousness of your customers.
- Reveal the customers' primary motivations to purchase your products or services (such as price, quality, quantity, ease, convenience, reliability, trustworthiness, location, hours, etc.).
- Reveal your customers' buying patterns.
- Convey how your customers' needs and wants are satisfied through your products or services.
- Provide your customer total count and your active accounts.
- Convey the category(ies) of customers who are 80% of sales.
- Describe any special customer relationships established.

Strengths and Weaknesses/Opportunities and Threats (SWOT Analysis)

This sub-section provides a SWOT Analysis. A SWOT Analysis is an in-depth, honest, and direct examination of your business. It identifies the internal strengths (S) and the internal weaknesses (W) of your business. It identifies the external opportunities (O) your business can act upon to its advantage. It identifies the external threats (T) your business is facing, can face, or will soon face, and which will disadvantage you in the marketplace.

Business strengths and weaknesses are considered internal. Business opportunities and threats are considered external. These differences follow, and each should be addressed clearly in your Business Plan.

Strengths

Internal strengths are those important capabilities that your company possesses which can be used to gain an advantage over your competition. Usually, a strength centers on your business's ability to understand and deliver what your current and potential customer segments need and want, and do so advantageously.

Examples of strengths include:

- Unique product features
- Highly trained, motivated staff
- Education or certification of staff, as applicable
- Technical know-how
- Low-cost production of your goods or services
- Customer convenience, including a prime retail location, delivery service, and online presence.
- Patent or intellectual property protection
- Low-cost, efficient distribution.

Weaknesses

Internal weaknesses are your business's shortcomings and potential barriers to your success. Weaknesses must be corrected and addressed in order to produce and deliver your desired product or service as intended, to meet or beat competitive forces, and to achieve business profitability.

Examples of weaknesses include:

- Lack of trained personnel
- Low employee morale or motivation
- Inexperienced management
- Inadequate investment in marketing
- Lack of financial resources to carry out desired programs.

- High cost of goods sold resulting in a low profit margin.
- Poor financial management or financial projection
- Inability to get product into appropriate (best) distribution channels.

Opportunities

External opportunities for your business are emerging events, conditions, or situations where, if taken advantage of appropriately, could allow your business to significantly improve its industry position, surpass the competition, increase current market segment, or enter new market segments.

Examples of opportunities include:

- A small business market needs more favorable credit terms.
- No competitor is located in a high-growth subdivision area.
- Consumers are purchasing more low-fat snack foods.
- An age segment of the population you serve is growing.

Threats

External threats for your business are identified as factors in the location, community, industry, market, region, country, and world which could block, alter, or damage your business success.

Examples of threats include:

- Holiday sales show a downward trend due to unemployment.
- Health issues prevent communities from gathering in groups.
- City construction blocks off your prior easy street access.
- Competitor opens a new location that will cut into sales.
- Competitor introduces free delivery.
- Government enacts a law resulting in higher raw materials costs which will increases your COGS.
- Labor strike slows transportation of goods or products.

Marketing and Advertising Strategy

This section of your Business Plan defines how your business will bring your products or services to the attention of buyers and customers through advertising and marketing. It explains the strategic marketing and advertising approaches, tactics, and tools your business will deploy to bring in business sales and revenue. Your Marketing and Advertising should support your Competitive Strategy.

This Business Plan section provides insight into your business's approach to getting the good word out to your potential customers about your business's products or services, attracting their interest in your business, and, ultimately, having them purchase from you to drive sales and revenue into your business.

In this section, you will:

- State your marketing goals in terms of maintaining or increasing sales, acquiring a specific number of new customers, securing a percentage of repeat sales, etc.
- Define how you will contact and attract your customers—direct marketing, indirect marketing, or a combination.
- Detail your advertising campaign with associated spending budget (e.g., budget amount assigned to telemarketing, direct mail, special events, customer newsletters, website, e-mails, brochures, flyers, door-to-door, etc.)
- Define how you will obtain new customers or get existing customers to come back and spend more money.
- Describe how you will approach advertising through either a web/online presence or a brick/ mortar location.
- Detail your pricing strategy (refer to your prior Products and Services section price list) and explain why you priced at these levels).

Operations Plan

This section of your Business Plan defines how your business will run on a daily, weekly, monthly, and annual basis. It explains how your business will function and operate. This section spells out how you will 'keep the business doors open and accessible' to serve your customers and buyers, whether you do business online or through a physical location.

In this section, you will:

- Identify the location of your business and any satellite locations.
- Describe the physical brick and mortar presence of your business, and explain why this is important to your customers.
- Describe the placement of your business location in a mall, strip mall, downtown or suburban area, etc.
- Identify ADA compliance and accessibility to and within the business' physical structure.
- Describe the availability of parking, including paid, unpaid, street, lot, garage, and ADA compliant spaces.
- Describe the location's proximity to freeways, bus stops, streets, walkability.
- Identify the building's visibility and signage.

- Describe the online presence and virtual location of your business and explain why this is important to your customers.
- Identify how customers will find your online presence, and the ease of finding your business online.
- Describe the memorability of your online business name and if it shows on search engines.
- Identify the degree of user-friendliness in your online presence.
- Describe your online identity and physical address inclusion on your business's marketing materials, collateral materials (stationery, envelopes, cards) and exterior signage.
- Explain how both the online presence and the physical brick and mortar presence match and reflect the tone of your business.
- List the daily business hours.

Management Information System

This section of your Business Plan defines how your business will manage its information and its related systems in accounting, payroll, financial management, communications, customer-relationship systems, employment records, etc.

In this section, you will:

- List the information your business needs to track, store, archive and protect for retrieval such as bookkeeping records, financial records, tax records, accounts receivable and accounts payable records, customer records, employment records, communication records, etc.
- State the system used to record, store, protect, share, retrieve, and use this information
- Indicate the contingency or back-up plan if your system fails.
- Indicate when you will use the stored information.
- Indicate who else in your business will have access to the information including the how and why.
- Cite your communication methods with business partners, employees, customers, vendors, buyers, and suppliers.
- Identify your primary and secondary means of communication (e.g., phone, email, text, or other).

Management and Organization

This section of your Business Plan defines how your business will be organized and who will hold responsibilities for managing the organization and its operating units. It explains the 'who, what, when, where, and why' of your business's organizational chart.

In this section, you will:

- State the owner’s name(s) and address(es) and include members of the Board of Directors if a corporation.
- Indicate the percentage of ownership for each person listed.
- Indicate who manages the business on a day-to-day basis.
- Include the business organizational structure (typically, an organizational chart)
- Provide the general responsibilities of each of the key people in the business and their hourly wages or annual salaries.
- List other personnel, titles, duties, and general responsibilities (a brief description only), and their hourly wages or annual salaries
- State each employee’s working hours for both exempt and non-exempt positions (exempt employees aren’t paid overtime)
- State the educational background, prior job experience, and/or other abilities relevant to the business for all key personnel.
- List and indicate the roles of outside consultants/advisors (e.g., accountant, attorney, banker, insurance agent, Advisory Board members, Board of Director members) and, where applicable, include their skills, knowledge, and abilities.

Overall Schedule

This section of your Business Plan provides a schedule for major events such as hiring employees, business expansion into new markets or territories, construction, installation of new equipment, company celebrations, etc.

In this section, you will:

- Cite the business start-up schedule.
- Indicate plans and dates for hiring employees.
- Indicate new hires’ job descriptions and titles.
- Indicate new hires’ hourly wages or annual salaries.
- State plans and dates to add new products and services.
- State plans and dates to expand target markets.
- State plans and dates to enter new territories.
- State plans and dates to acquire another business.
- Cite plans and dates for moves to new location(s)
- Cite plans and dates for construction.
- Cite plans and dates for major equipment/fixture purchases.

- Indicate dates for annual employee gatherings.
- Indicate dates for customer events or gatherings.
- Indicate dates for Board of Director meetings, if applicable
- Indicate dates for Advisory Board meetings, if applicable.

Critical Risks and Problems

This section of your Business Plan provides a high-level description of known risks and problems your business will or may face.

In this section, you will:

- Describe the three most critical risks or problems in your business.
- Identify how each risk or problem will be handled or overcome, if it occurs.

Business Financial History

This section of your Business Plan applies only to existing businesses. If your business is a start-up, you will not need to include this section.

In this section, you will:

- Provide the company's financial history and current condition if you have an existing business.
- Provide quarterly financial statements, including the Balance Sheet and Profit and Loss Statement
- Describe your collections procedure for overdue accounts.
- Describe the business accounting principles regarding depreciation, taxes, etc.
- Provide business assets at cost and market value to secure a loan request.
- Describe how your business record keeping will be handled on a day-to-day basis, including the accounting software to be utilized.
- Indicate whether you use or will use the services of a bookkeeper.

Business Financial Projections

This section of your Business Plan is used for new business start-ups as well as for existing businesses to indicate the projected flow of money in and out of your business.

In this section, you will:

- Include a business Profit and Loss Projection month-by-month for the first 12 months.
- Include a business Balance Sheet both at the time of start-up and at the end of 12 months.

- Include a business Cash Flow Projection month-by-month for the next 12 months.
- Include a business Break-even Analysis calculated for 12 months.
- List all key assumptions used to calculate your projections.
- Include a complete description of anything that can influence your financial projections such as how you calculate your sales figures.

Business Technology Plan

This section of your Business Plan is used to describe how the use of technology will help you achieve your business goals.

In this section, you will:

- Describe how you will utilize computer hardware and software in your business.
- Define the costs to implement the required computer hardware and software.
- Define the costs to maintain, upgrade, and provide security (via firewall, virus scanner, etc.) for your system.
- Identify the schedule for hardware and software updates.
- Identify the training costs associated with implementing the system and any updates.
- Identify the primary users of the system and their access level.
- Explain your website, and how it will be developed and hosted.
- Identify the costs associated with developing, hosting and maintaining the website.
- Analyze the business cost reductions to be incurred by using technology (e.g., decreasing staffing requirements and/or providing for increased productivity from existing staff/managers)
- Analyze the business revenue increases to be incurred by using technology (e.g., creating a more efficient ordering system; marketing and selling on the internet; obtaining more clients/customers, etc.).

Business Plan Appendices

This section of your Business Plan is used to include any additional and pertinent data related to your business. These items may be too bulky to include in the written text of your Business Plan sections, or they may not fit graphically into your written plan. This section serves as supplemental material.

In this section, you may choose to include, as relevant:

- Financial Projections and assumptions
- Resumes of owners and key personnel
- Copies of business licenses and permits required for business (city, state, etc.)

- If incorporated, a copy of articles of incorporation.
- If a partnership, a copy of the partnership agreement
- If a limited liability company (LLC), a copy of agreements
- Contracts with any outside consultant(s)
- Copy of lease agreements
- Copy of contracts (e.g., government contracts, customer contracts, supplier contracts, etc.)
- Copy of franchise contracts and supporting documents
- Copy of architectural or construction design plans
- Any other additional information that supports the plan.

Finance Your Model

The Five C's of Financing

The five C's of financing include: Character, Capacity, Capital, Collateral, and Cash Flow. Each of the five is important individually, but a lender looks at the overall risk you present to make a determination if you qualify for a loan.

Character- A potential lender wants to know if:

- You have a demonstrated desire to repay debts.
- You have an ability to do what you say you are going to achieve.

Personal credit scores are pulled on each owner who owns 20% or more of the business. If the loan is supported by an SBA guarantee, any 20% or more owners must guarantee the loan.

We recommend reviewing your credit report from TRW, Equifax, Experian, and TransUnion to correct problems prior to going to the banks. Problems include collections, past due payments, and bankruptcies.

If there are slow pays or collections, you should either:

- Pay off the debt, or
- Pay as agreed for about 12-18 months.

If there is a bankruptcy and any federal debt was discharged, you are ineligible for an SBA guarantee.

Examples of federal debt discharges include:

- VA/FHA home loan

- Student loan
- SBA loans
- Business and industry loans.

In addition, you must not have any unpaid back taxes.

Potentially acceptable reasons for bankruptcy include:

- Marital dissolution
- Job loss
- Catastrophic illness without adequate insurance.

Capacity- A potential lender wants to know if:

- You have an ability to achieve performance in the business.
- You have specific industry experience directly related to the start-up business for which you are seeking financing.
- If you do not, you have a mitigation plan (in your SWOT Analysis) to start the business with either a consultant in that particular field, or a partner who has sufficient industry experience.

A potential lender wants to see and review the resumes of:

- Each owner who will be active in the business
- Employees who are critical to the business
- Each identified person's skill base as it relates to their work history, education, training, offered franchise training, and which will make them successful in this specific business.

Capital- A potential lender wants to know if:

- You have an adequate capital/equity injection to qualify for the loan.

Capital is the cash or in-kind assets that the owners contribute to the business.

Capital is identified in the equity section of the Balance Sheet, in many ways depending upon the legal structure of the business. For example, as a Sub 'S' or Corporation 'C' there will be Common Stock, paid in capital, retained earnings.

Leverage is the amount of your debt versus the amount of your equity (debt to equity ratio). For start-up businesses, this is loan amounts of $100,000 or less, with a debt-to-equity ratio of up to 4:1/5:1. In other words, for every dollar of equity, you can have $4 to $5 in debts. For loan amounts over $100,000, debt to equity ratio is 2:1.

Collateral- A potential lender wants to know if:

There is sufficient collateral to fully secure the loan.

The desired goal is to provide adequate collateral to cover 100% of the loan amount with the liquidation value of the collateral.

Advance Formula is the percentage value assigned to different types of collateral to determine the liquidation value/collateral value.

Advance Formulas can vary from bank to bank, but the SBA advance formulas are consistent.

Non-owners can pledge collateral on your behalf. These parties must complete a loan application, provide a personal financial statement, and provide the most recent three years of past tax returns.

Cash Flow- A potential lender wants to know if:

- The business has an ability to generate adequate cash to repay the requested loan
- The sales projections and timing of cash flow are achievable.

Cash Flow Analysis is based on projections. Typical analytic questions include:

- How are these sales/revenue projections achievable?
- Why may these sales/revenue projections be unachievable?
- How have these sales/revenue projections been tested by inquiry?
- What is the average ticket sale per customer?
- What is the average charge per hour?
- How many days of operation occur per month?
- How long does it take to collect on the business accounts receivable (payments owed to you)?
- Why and how are the costs of goods reasonable?
- What is the mark-up for the industry?
- How many vendors and suppliers are required for business operations?
- When are payments for business accounts payable and issued to the business's vendors, suppliers, others?
- How are the overall operating expenses calculated? Is this figure reasonable?
- What are the calculations for expenses related to the number of employees versus wage costs? Is this reasonable?
- What are calculations for marketing plan and advertising costs? Is this reasonable?
- What are the calculations for office space leasing or web hosting? Is this reasonable?
- What are the calculations for professional advisor expenses including attorneys or accountants? Is this reasonable?
- What is the amount of taxes owed quarterly and annually?

- What is the amount for business and other insurance related to protecting the business and the owner? Is this reasonable?

Startup Financial Projections Workbook

You can find a helpful Startup Financial Projections Workbook in the online resources at: businessimpactnw.org/services/resources

There, under Small Business Loan Preparedness, you'll be able to access the items you'll need to start preparing for your submitted loan application. The Startup Financial Projections Workbook is an easy-to-use tool that helps you look at all aspects of your projections to see where your cash position will be at the end of each month and will show what your first 12 months (or the next 12 months) will look like.

Example:

CASH FLOW PROJECTION (Start this sheet with the amount of CASH you have in your business or amount you can put towards your project not including any loan amounts)

	Beginning Position -	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	
CASH ON HAND (BEGINNING OF THE MONTH)	10,000	9,500	8,402	7,741	7,373	7,206	7,569	6,477	6,118	5,779	5,630	6,027	7,330	10,000
CASH INFLOWS														
Cash sales		1,975	2,725	4,075	4,075	5,300	6,000	6,925	7,750	8,825	9,375	11,500	12,475	81,000
														0
														0
Total Cash In	0	1,975	2,725	4,075	4,075	5,300	6,000	6,925	7,750	8,825	9,375	11,500	12,475	81,000
Total Cash Available (Before Cash Out)	10,000	11,475	11,127	11,816	11,448	12,506	13,569	13,402	13,868	14,604	15,005	17,527	19,805	91,000
CASH PAID OUT														
Start Up Expenses														
Equipment Purchases	8,000													
Signage	500													
Pre-Opening Marketing	500													
Beginning Inventory	500													
Accountant & Lawyer for Startup	1,000													
0	0													
0	0													
0	0													
0	0													
0	0													
														0
Monthly Operating Expenses (from Profit and Loss)		498	516	747	547	581	2,452	2,274	2,294	2,745	2,558	2,947	3,319	21,479
Cost of Goods Sold (from Profit and Loss)		755	1,050	1,575	1,575	2,035	2,320	2,690	2,975	3,410	3,600	4,430	7,660	34,075
Owner Draws		1,500	1,500	1,800	1,800	2,000	2,000	2,000	2,500	2,500	2,500	2,500	3,000	25,600
														0
														0
														0
TOTAL CASH PAID OUT	10,500	2,753	3,066	4,122	3,922	4,616	6,772	6,964	7,769	8,655	8,658	9,877	13,979	81,154
Cash Position Before Loan Advance or Payment	-500	8,722	8,061	7,693	7,526	7,889	6,797	6,438	6,099	5,950	6,347	7,650	5,826	9,846
LOAN ADVANCES														
SBA Loan	10,000	-320	-320	-320	-320	-320	-320	-320	-320	-320	-320	-320	-320	
														0
TOTAL LOAN ADVANCES	10,000	-320	-320	-320	-320	-320	-320	-320	-320	-320	-320	-320	-320	0
TOTAL ENDING CASH (MONTH END)	9,500	8,402	7,741	7,373	7,206	7,569	6,477	6,118	5,779	5,630	6,027	7,330	5,506	9,846
LOAN Outstanding	10,000	9,680	9,360	9,040	8,720	8,400	8,080	7,760	7,440	7,120	6,800	6,480	6,160	
	0	0	0	0	0	0	0	0	0	0	0	0	0	

Business Impact NW Loan Readiness Center (LRC)

Our Loan Readiness Center (LRC) provides tailored advice and business loan training for entrepreneurs from underserved communities to access funding needed to start and grow their businesses.

We assist with lowering the barriers to funding with business coaching, financial coaching, financial planning, credit counseling, loan application preparation, trainings as well as connection to lenders and their products. Additionally, we have hubs in Pierce County and the Portland Metro Area to serve businesses throughout those regions as well.

The Loan Readiness Center provides free one-on-one coaching to businesses that need support with financial management and acquiring funding. These businesses may have experienced barriers or have been denied funding. Our certified coaches help assess each business's unique needs and situations as they provide dedicated business loan training.

To learn more about Loan Readiness Center visit
https://businessimpactnw.org/loan/business-loan-training/

Loan Application Checklist for Business Impact NW

To prepare then submit a Loan Application to Business Impact NW, you must complete the following items on the Loan Application Checklist.

Use this checklist to prepare your Loan Application.

- ❑ Completed and Signed Loan Application
  - ✓ Loan Need: List your business loan requirements, be specific as possible. Include the amount of cash you need to cover 3-6 months of operating expenses; an itemization with cost of your inventory, furniture, fixtures, equipment, leasehold improvements, vehicle and advertising, and marketing materials requirements. Note: This will be a more detailed list than what you will have completed on the loan application and may include pictures, etc.
  - ✓ Collateral: List all of your personal and business assets that are available to secure your loan request. Include all business assets at cost and all personal assets at market value. If real estate will be used as collateral, include the latest appraised value.
- ❑ Completed Business Plan (for a start-up) or Complete Marketing Plan (for an existing business)
- ❑ Resume: Describe your ability, as the loan applicant, to successfully operate your business, and include a description of business skills acquired from previous work experience, training and education for each person owning 20% or more of your business.

- ❑ Completed and Signed Personal Financial Statement (for each person with 20% or more ownership in the business)
- ❑ Business Financial Statements and Projections: If available, provide the last three years of fiscal statements (must be within 45-60 days of date of application). All documents must be signed and dated including:
  - ✓ Balance Sheet: Include a current and/or start-up balance sheet which explains the use of the loan proceeds and the loan amount.
  - ✓ Income Statement: A current and twelve-month statement which reflects the months addressed in the cash flow projection
  - ✓ Cash Flow Projections: Month-by-month projections for the next 12 months of operation. Include key assumptions (complete description of any issues that affect the financial projections). Projections should be based on the assumption that your loan request will be approved.
- ❑ Personal Tax Returns: Provide three years of complete personal tax returns for each person with 20% or more ownership, signed and dated, including all supporting schedules.
- ❑ Business Tax Returns: If available, provide for the last 3 years.
- ❑ Licenses: Provide a copy of your state and city business licenses, if in business, and copies of all professional licenses.
- ❑ Include a copy of your unsigned lease agreement, if available.
- ❑ Corporate, partnership or LLC operating agreements.

Activate Your Business

Before deciding the form of ownership that is right for your business, talk with a knowledgeable accountant or tax attorney. There are several issues to consider in making a choice, including:

- Your vision regarding the ultimate size and nature of your business
- The level of control you wish to have.
- The business's vulnerability to lawsuits
- The amount of profit (or loss) the business will generate.
- The tax implications of the different ownership structures.

Business Ownership Structures

There are several types of business structures for you to consider in starting your new business. Each type is defined below, and its relative advantages and disadvantages are provided.

Sole Proprietorship

Most small businesses are organized as sole proprietorships. These firms are owned by a single individual who also manages the business. A sole proprietorship is not considered a separate organization but is inseparable from the person who owns it.

Advantages: The easiest and least expensive business structure to organize, the sole proprietorship structure allows the owner to be in complete control and receive all income generated by the business to keep or reinvest. The profits from the business flow directly into the owner's personal tax return and the business is easy to dissolve.

Disadvantages: The owners of sole proprietorships have unlimited liability and are legally responsible for all debts and legal judgments against the business. All the owner's assets are at risk. Sole proprietorships may be at a disadvantage in raising funds and are often limited to using funds from personal savings or consumer loans. High-caliber employees who would like to own a piece of the business may find a sole proprietorship unattractive, and some employee benefits (such as medical insurance premiums) are not deductible from business income.

Partnership

A partnership is a legal structure in which two or more people share ownership of a single business. For partnerships, like sole proprietorships, the law does not distinguish between the business and its owners. Partners determine up front how much time and money each will contribute to the business and in addition, they must agree on how decisions will be made, profits will be shared, disputes will be resolved, and future partners will be admitted to the partnership. Experts strongly advise that partners have an attorney draw up a legal agreement that clearly sets out these and other important details.

Advantages: Partnerships are relatively easy to establish. Aside from the need for the owner(s) to draw up a partnership agreement, partnerships are as simple to set up as sole proprietorships. The business can benefit from partners who have complementary skills, and since there is more than one person involved, the ability to raise funds may be increased. The profits from the business flow directly through to the partners' personal income tax returns and prospective employees may be attracted to the business if given incentive to become a partner.

Disadvantages: Partners are jointly and individually liable for the actions of other partners; profits must be shared with others; decisions are shared, and, hence, disagreements may arise; some employee benefits are not legitimate business deductions from the business income. A partnership has a limited life—it may end on the withdrawal or death of a partner.

Limited Liability Company

A limited liability company (LLC) is a relatively new type of hybrid business structure that is now available in most states. It is designed to provide the limited liability feature of a corporation and the tax efficiency and operational flexibility of a partnership. The formation of an LLC is more formal and complex than that of the formation in a general partnership.

Advantages: An LLC structure combines the pass-through taxation of a sole proprietorship with the limited liability of a corporation. Therefore, there are no federal taxes imposed on the LLC as an entity. LLCs provide personal limited liability to members, and there is greater flexibility in management and responsibilities. Income to members can be distributed with more flexibility.

Disadvantages: Earnings of most LLCs are generally subject to self-employment tax. An LLC that is considered a partnership can't take advantage of incentive stock options, and businesses operating in more than one state may receive inconsistent treatment.

There are other specific structures (e.g., Social Purpose/B Corps, etc.) that you may wish to consider through consultation with a knowledgeable business and/or tax lawyer.

C-Corporation

A C-corporation is considered by law to be a unique entity, separate and apart from those who own it. Like an individual, a C-corporation can be taxed; it may be sued; it can enter into contractual agreements with others. A C-corporation has a life of its own and will not dissolve when ownership changes. The owners of a C-corporation are its shareholders. These individuals have the right to elect a Board of Directors for the corporation to represent the interest of the shareholders in overseeing the major policies and decisions made by the company's officers. In small business, it is common for shareholders, directors, and officers of the company to be the same individuals.

Advantages: Shareholders have limited liability for the corporation's debts or judgments against the C-corporation. Generally, the shareholders can only be held accountable for the amount they have invested in the stock of the company (although officers and others can be held personally liable for their actions, such as failure to withhold and pay employment taxes). The C-corporation has the opportunity to raise additional funds through the sales of stock. The C-corporation may deduct the costs of many of the benefits it offers to its officers and employees, and it has an unlimited life—its operations will not cease with the death or absence of its founder or individual stockholders.

Disadvantages: The process of incorporation takes more time and money than that involved in setting up a sole proprietorship or partnership and usually requires the assistance of an attorney. C-corporations are monitored by state and federal agencies and, as a result, they may require more paperwork to comply with regulations. Incorporating may result in higher taxes overall. Most C-corporations are taxed as a separate entity, and they can deduct wages and benefits for officers and other employees. However, dividends paid to the shareholders are not deductible from the C-corporation's business income. As a result, some revenue generated by a C-corporation can be taxed twice: first at the corporate level, then again at the individual level if it is paid out to shareholders as dividends.

S-Corporation

S-corporations have a significant advantage for small business owners. Unlike C-corporations, S-corporations are taxed similarly to partnerships, with all business profits and other specified items passing through to the shareholders' personal federal income tax returns. A company must meet certain requirements to be accepted as an S-corporation. If a company wishes to be an S-corporation it must make a specific request to the IRS during the incorporation process, otherwise the company will be assigned a C-corporation status.

Advantages: Corporate losses can be passed through to shareholders. The protection of limited personal liability is provided without having to pay corporate tax. Self-employment and FICA taxes can be reduced since the profits, as a shareholder, aren't taxed in this manner. It is easier to raise capital for an S-corporation than in a sole proprietorship or a partnership.

Disadvantages: Numerous regulations apply to an S-corporation, including a limit on the number of shareholders. All shareholders must be U.S. citizens. Benefits such as health or accident insurance for employee shareholders are not deductible. An S-corporation must follow corporate formalities. The IRS will closely scrutinize the shareholder employees to ensure that they have received reasonable compensation before any non-wage distributions are made.

Business Start-Up Checklist: Washington State

- □ Plan your business

- □ Choose a structure (sole proprietorship, partnership, corporation, LLC)
  - ✓ Washington State Bar Association - www.wsba.org/
  - ✓ King County Bar Association- www.kcba.org/
  - ✓ Communities Rise – communities-rise.org/microenterprise-services/
- □ Choose a name that is unique. Do your research.
  - □ Secretary of State – https://www.sos.wa.gov/corps/
  - □ Department of Revenue Business License database – https://dor.wa.gov/businesses
  - ✓ United States Patent and Trademark Office (trademarks) – http://www.uspto.gov
  - ✓ Domain Name - Private companies who are domain name registrars - GoDaddy; Name.com; BlueHost; iPage; DreamHost, etc.
  - ✓ Internet & Social Media Search

Corporation/LLC: Register your business and file your formation papers with the Secretary of State and obtain your Unified Business Identifier (UBI) Number - https://www.sos.wa.gov/corporations-charities

- □ **All Businesses**: Apply for WA State Business License: Department of Revenue - https://dor.wa.gov/businesses
  - ✓ Sole proprietors and general partnerships will obtain a Unified Business Identifier (UBI) Number
  - ✓ You will register your business with the WA Department of Revenue during this process - https://secure.dor.wa.gov/
  - ✓ You will register your Trade Name/DBA (Doing Business As) during this process. Need help? Use the **Business License Wizard** https://secure.dor.wa.gov/gteunauth/?Link=wiz
- □ Obtain city business license: Contact city office (E.g., Kirkland Washington City Website: www.kirklandwa.gov)

  - □ WA License and Tax Information for Cities and Towns - https://access.wa.gov/topics/business/City/Business/License.html

- □ Make sure that any professional licenses or other types of required licenses are current- WA State Department of Licensing - https://www.dol.wa.gov/listoflicenses.html

- □ Obtain Federal Employer Identification Number EIN: https://www.irs.gov/businesses/small-businesses-self-employed/employer-id-numbers

- □ Open your business bank account

Business Start-Up Checklist: Alaska

- □ Plan your business
- □ Choose a structure (sole proprietorship, partnership, corporation, LLC)
  - ✓ State Bar Association - https://alaskabar.org/
  - ✓ Alaska Legal Services https://www.alsc-law.org/
- □ Choose a name that is unique. Do your research.
  - ✓ State of Alaska - https://www.commerce.alaska.gov/web/cbpl/
  - ✓ Business Licensing – https://www.commerce.alaska.gov/web/cbpl/BusinessLicensing.aspx
  - ✓ United States Patent and Trademark Office (trademarks) – http://www.uspto.gov
  - ✓ Domain Name - Private companies who are domain name registrars - GoDaddy; Name.com; BlueHost; iPage; DreamHost, etc.
  - ✓ Internet & Social Media Search
- □ Corporations/LLC: Register your corporation/entity with the State of Alaska Corporations Section to receive an Alaska entity number - https://www.commerce.alaska.gov/web/cbpl/Corporations/ObtainEntityNumber.aspx
- □ All Businesses: Apply for AK State Business License – https://www.commerce.alaska.gov/web/cbpl/BusinessLicensing/NewBLOnline.aspx
  - ✓ Check local business license requirements:
    - Municipality of Anchorage
    - Bethel
    - Fairbanks
    - City and Bureau of Juneau
    - Ketchikan
    - Nome
    - Palmer
    - Petersburg
    - City and Bureau of Sitka
    - Utqiagvik (formerly known as Barrow)
    - Valdez
    - Wasilla
    - City and Bureau of Wrangell
- □ Make sure that any professional licenses or other types of required licenses are current- Division of Corporations, Business and Professional Licensing: https://www.commerce.alaska.gov/web/cbpl/ProfessionalLicensing.aspx
- □ Obtain Federal Employer Identification Number EIN: https://www.irs.gov/businesses/small-businesses-self-employed/employer-id-numbers
- □ Open your business bank account

Business Start-Up Checklist: Oregon

- ☐ Plan your business.
- ☐ Choose a structure (sole proprietorship, partnership, corporation, LLC)
  - ✓ Oregon State Bar Association - https://www.osbar.org/public/ris/index.html
  - ✓ Multnomah Bar Association- https://mbabar.org/
  - ✓ Small Business Legal Clinic - https://law.lclark.edu/centers/small_business_legal_clinic/
- ☐ Choose a name that is unique. Do your research.
  - ✓ Secretary of State – https://sos.oregon.gov/business/Pages/find.aspx
  - ✓ United States Patent and Trademark Office (trademarks) – https://www.uspto.gov
  - ✓ Domain Name - Private companies who are domain name registrars - GoDaddy; Name.com; BlueHost; iPage; DreamHost, etc.
  - ✓ Internet & Social Media Search
- ☐ All Businesses: Register with the Oregon Secretary of State: Business Corporation, Nonprofit Corporation, Limited Liability Company, Limited Liability Partnership, and Assumed Business Name - https://sos.oregon.gov/business/Pages/register.aspx
  - ✓ The state of Oregon does not issue general business licenses.
  - ✓ Corporations and businesses with employees and must receive Business Identification Number (BIN) from the Oregon Department of Revenue: https://secure.sos.state.or.us/cbrmanager/index#stay
  - ✓ Log into the Oregon Business Registry, click Start, then Get BIN. Follow the prompts from there. If you do not plan to be an employer or do your own payroll, you do not need a BIN unless you are otherwise required to have one.
  - ✓ To register with the Oregon Department of Revenue: https://www.oregon.gov/dor/programs/businesses/Pages/default.aspx
  - ✓ Need Help? The State of Oregon has an official website with resources: https://www.oregon.gov/business/pages/index.aspx
- ☐ Obtain city business license. Cities and counties may also require businesses to have a license or permit. Check with your city and county government to determine license, permit or zoning requirements.
  - ✓ Example: City of Portland: Businesses that are operating within the City of Portland and/or Multnomah County must register for a Revenue Division tax account: https://www.portland.gov/revenue/business-tax
    - ▪ The State of Oregon offers a searchable online License Directory: https://apps.oregon.gov/SOS/LicenseDirectory/
- ☐ Many occupations and business activities require licenses, permits or certifications from state agencies or boards. Make sure that any professional licenses or other types of required licenses are current - https://www.oregon.gov/business/Pages/start.aspx#apply-for-your-trade-licenses
- ☐ Obtain Federal Employer Identification Number EIN: https://www.irs.gov/businesses/small-businesses-self-employed/employer-id-numbers
- ☐ Open your business bank account.

Business Start-Up Checklist: Idaho

- ◻ Plan your business

- ◻ Choose a structure (sole proprietorship, partnership, corporation, LLC)
  - ✓ For information about the entity types recognized in Idaho - Legal Structure » Business.Idaho.gov
  - ✓ Idaho State Bar Association - https://isb.idaho.gov/
  - ✓ The Entrepreneurship Law Clinic (ELC) - https://www.uidaho.edu/law/academics/experiential-learning/clinics/entrepreneurship-law-clinic

- ◻ Choose a name that is unique. Do your research.
  - ✓ Secretary of State – https://sosbiz.idaho.gov/search/business
  - ✓ Idaho Trademark Search - https://sosbiz.idaho.gov/search/trademark
  - ✓ United States Patent and Trademark Office (trademarks) – http://www.uspto.gov
  - ✓ Domain Name: Private companies who are domain name registrars: GoDaddy; Name.com; BlueHost; iPage; etc.
  - ✓ Internet & Social Media Search

  - ◻ Business Registration: All businesses except sole proprietors who use their full name as the business name need to register a name and entity type with the Idaho Secretary of State's office before conducting business. Online Business Services | Idaho Secretary of State
    - ✓ Idaho does not have a state business license. Registering your business is a registration, not a license.
    - ✓ If the business will be an LLC or corporation, the name is registered as a part of the entity registration.
    - ✓ Sole proprietorships and partnerships file an Assumed Business Name, also called a DBA.

  - ◻ Register With State Agencies. If the business will have employees, makes retail sales or provides lodging, it also registers with the Idaho State Tax Commission, Idaho Industrial Commission, and Idaho Department of Labor by filing Form IBRS (Idaho Business Registration System).
    - ✓ This form should be completed after registering the business name and legal structure.
    - ✓ If you will not have employees, make retail sales, or are not engaged in the lodging industry, do not complete this form.
    - ✓ Certain businesses may be required to register with other state and local agencies. Visit https://idahobizhelp.idaho.gov/ for additional information.

- ◻ Obtain city business license. Cities and counties may also require businesses to have a license or permit. Check with your city and county government to determine license, permit or zoning requirements.

  - ✓ Example: An Idaho Business may be subject to city and/or county regulations specific to your location. Contact your local City Clerk or County Clerk or Recorder's office to find out if you need a local business license or other local permits.

  - ✓ Check here for a list of City Clerk's offices in Idaho.

- ◻ Many occupations and business activities require licenses, permits or certifications from state agencies or boards. Make sure that any professional licenses or other types of required licenses are current.
  - ✓ Information on industry-specific and occupation-specific licenses and permits is found in the Business Wizard,- https://business.idaho.gov/business-wizard/?view=section-1
    - After answering a few questions, you will receive a customized checklist of agencies to contact with links to their websites.
  - ✓ If your business activity, profession, product, or service is not listed in the Business Wizard, you can verify whether your business is subject to special licensing or taxing requirements by contacting your city or county clerk's office, your attorney, or your CPA.

- ◻ Obtain Federal Employer Identification Number EIN: https://www.irs.gov/businesses/small-businesses-self-employed/employer-id-numbers

- ◻ Open your business bank account

Run Your Business

Many resources are available to help you run your business. Below are resources for help or questions along the route to success.

Public Library Assistance

The local and regional systems of libraries provide a wealth of information for small business owners. Below is contact information for a few selected library systems (materials will vary by library system).

Feel free to contact your local Business Librarian or Research Librarian for assistance with conducting your business research.

Washington State

- King County Library System – www.kcls.org
- Seattle Public Library System – www.spl.org
- Sno-Isle Public Library System - https://www.sno-isle.org/
- Pierce County Library - https://jbc.mypcls.org/
- University of Washington Foster School of Business Library – https://www.lib.washington.edu/business/

Alaska

- Anchorage Public Library - https://www.anchoragelibrary.org/
- Alaska Public Libraries - https://publiclibraries.com/state/alaska/

Oregon

- Oregon Public Libraries: https://libguides.osl.state.or.us/c.php?g=932784&p=6808799

Idaho

- Idaho Public Libraries: https://libraries.idaho.gov/idaho-library-directory/

Financial and Technical Assistance

Begin with these organizations to be assured of all opportunities.

Business Impact NW: www.businessimpactnw.org – 203-324-4330

Business Impact NW is a nonprofit Community Development Financial Institution (CDFI) dedicated to serving underbanked entrepreneurs. We provide coaching, classes, and access to capital to community small businesses, with an emphasis on working with traditionally underserved populations – entrepreneurial low/moderate income earners, women, BIPOC, veterans, immigrants or members of the LGBTQ+ community. We have been serving the community since 1997. Our services are open to all.

Our loan department offers lending services in Washington State, Oregon, & Alaska. We offer business support services (free and low-cost training and classes, and free one-on-one business coaching) in Washington State, Oregon, Idaho, and Alaska through various technical assistance programs, including:

- Women's Business Center:
    - Washington: www.businessimpactnw.org/washington-womens-business-center/
    - Alaska: www.businessimpactnw.org/awbc/
    - Idaho: www.businessimpactnw.org/iwbc/
- Veterans Business Outreach Center: www.businessimpactnw.org/veterans-business-outreach-center/
- Food & Farm Business Services: https://businessimpactnw.org/food-farm-business-services/
- Capital Readiness Program: https://businessimpactnw.org/capital-readiness-program/
- Oregon Minority Business Development Agency: www.businessimpactnw.org/oregon-minority-business-development-agency/

SCORE Business Mentoring

- Works with the Small Business Administration at local SBA headquarters
- Offers free and low-cost business webinars and workshops and free business One on One or Team mentoring for existing and new businesses.
- Washington SCORE: Seattle: www.score.org/seattle
- Alaska SCORE: www.score.org/alaska
- Oregon SCORE: Portland www.score.org/portlandor
- Idaho SCORE: Tresure Valley https://www.score.org/treasurevalley
- To locate your local SCORE office: www.sba.gov/local-assistance

State Small Business Development Centers

- Small Business Development Centers provide counseling and training to small businesses including working with the SBA to develop and provide informational tools to support business start-ups and existing business expansion.
- Washington State Small Business Development Centers www.wsbdc.org
- Alaska State Small Business Development Centers www.aksbdc.org
- Oregon State Small Business Development Centers www.oregonsbdc.org
- Idaho State Small Business Development Centers https://idahosbdc.org/

Procurement Technical Assistance Center

APEX Accelerator advises businesses on how to win government contracts and subcontracts. The one-on-one technical assistance includes bid reviews, marketing assistance, contract performance, small business certifications, and more.

- Washington State APEX: http://www.washingtonapex.org
- Alaska APEX: http://www.apexalaska.org
- Oregon APEX: www.gcap.org/
- Idaho APEX: http://www.idahoAPEXAccelerator.com
- To locate your local APEX: www.aptac-us.org/find-a-ptac/

Funding Options

U. S. Small Business Administration

U. S. Small Business Administration Loan Program:

https://www.sba.gov/funding-programs/loans

How SBA helps small businesses get loans: The U.S. Small Business Administration helps small businesses get funding by setting guidelines for loans and reducing lender risk. These SBA-backed loans make it easier for small businesses to get the funding they need.

In order to get an SBA-backed loan:

- Visit the Loans page to find the loan that best suits your need: https://www.sba.gov/funding-programs/loans
- Enter your Zip Code on Lender Match to find a lender in your area: https://www.sba.gov/funding-programs/loans/lender-match
- Apply for a loan through your local lender.
- Lenders will approve and help you manage your loan.

SBA only makes direct loans in the case of businesses and homeowners recovering from a declared disaster.

Business Impact NW & Other Resources

Business Impact NW:

www.businessimpactnw.org – 203-324-4330

Business Impact NW is a nonprofit Community Development Financial Institution (CDFI) dedicated to serving underbanked entrepreneurs. Our loan department offers lending services in Washington State, Oregon, & Alaska. We offer business support services (free and low-cost training and classes, and free one-on-one business coaching) in Washington State, Oregon, Idaho, and Alaska.

Crowdfunding

Crowdfunding is the raising of money in small amounts from a wide audience. There are many websites that help connect funders with the project or company to be funded, and different sites work in different ways. Perhaps the best known is Kickstarter.com, which highlights one way of raising funds—it is project based (funding a project your company does rather than funding the company itself) and contributors do not receive equity. Instead, in this style of crowdfunding, contributors get “gifts” or “perks” as a thanks for their contribution.

- Kauffman Sketchbook - "The Wizard of Fundz" - https://youtu.be/fTE5uZ7HZPg
- Resources:
    - KickStarter: www.kickstarter.com
    - IndieGoGo: www.indiegogo.com

Investor - Angels, Venture Capitalists

An owner may lack sufficient capital and may need to seek additional investors in the company. These investors invest equity, and do not expect to be repaid on a consistent basis like a lender. They also do not demand interest payments. Investors do, however, expect a higher return on their investment than the interest required by a lender. Investors may be “angels” or venture capitalists. It is important to obtain legal counsel when selling part of your company as equity, because there are many rules and regulations governing the sale of equity. The Securities and Exchange Commission administers these laws. Investors are also very interested in the ability of the company’s management team to successfully grow the company. Venture capitalists often replace the management team with managers who have proven track records in the industry.

Resources:

- US Securities and Exchange Commission – Early Stage Investors information
- Alliance of Angels (Seattle): https://www.allianceofangels.com/

Grants

Grants are not commonly provided for small businesses.

The U. S. Small Business Administration does not provide grants for starting and expanding a business. SBA provides limited small business grants and grants to states and eligible community organizations to promote entrepreneurship. Visit www.sba.gov to access grant information section under Funding Programs on its homepage

- Small Business Administration: SBIR/STTR Grants: https://www.sbir.gov/about

Private Resources for Small Business Grants (Subject to change):

- Hello Alice: https://helloalice.com/funding/grants/
- Amber Grant for Women Business Owners: https://ambergrantsforwomen.com/
- US Chamber Grant Resource: Grant Programs for Small Business


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businessimpactnw.org/scholarship
BusinessImpactNW
WASHINGTON
Women's Business Center
ALASKA
Women's Business Center
POWERED BY
SBA

Our Impact 2022

521
Jobs Created

4,000
Jobs Retained

3,647
Unique Clients Served

309
Training sessions provided

3,566
Number of 1:1 Coaching Hours Provided

$12,827,834
Increase in Sales for Technical Assistance clients

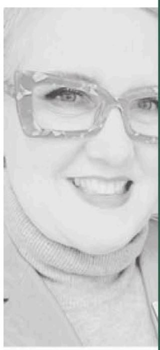
226
Loans Disbursed

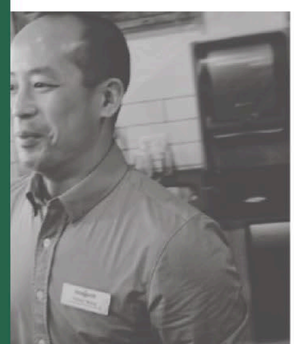
$15.9M
Amount Disbursed

$70,200.00

Our mission *is to grow businesses that create jobs in underserved communities.*

Our vision *is for all business owners to have an equal opportunity to succeed.*





ABOUT US

At Business Impact NW, we remove barriers and expand opportunities for entrepreneurs from underserved communities to start and grow businesses by providing coaching, classes, and capital in Washington, Oregon, Alaska, and Idaho.

Business Impact NW

SMALL BUSINESS FINANCIAL EMPOWERMENT

Sign up for business coaching and training with

Business Impact NW!

(Serving WA, OR, ID, and AK)

businessimpactnw.org

Notes: