

STARTUP CHECKLIST

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**STARTUP
CLEVELAND**
.com

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Starting a business in Ohio?

Starting a new business can be overwhelming. But, with a little planning you can achieve your goals. Whether you are a seasoned entrepreneur or just starting out, this checklist will help organize your start-up activities and put you on the path to success.

Brainstorm ideas

Make a list of potential business ideas and study each one. Narrow your list and choose the most viable idea to pursue. Consider factors such as the probability of success in your market and the suitability of the idea to your skills and abilities.

Test your idea

Conduct market research on your idea by talking to potential customers to determine what problems they need solved. Make sure that your new product or service idea is addressing an actual customer need. If not, come up with a new idea based on what your customers are telling you they need most.

Pick a business name and check availability

Before you order stationary, signage, and other branding for your business, you need to make sure that the name you have chosen will not conflict with someone else's existing product or business. To do that you will need to perform a Trademark search to check the availability of the name within the U.S. and any other countries where you intend to do business. You should also check with the Ohio Secretary of State to make sure no one has registered the name within the state of Ohio. If you are not sure how to conduct a proper search, consult an attorney.

Register your business name with State of Ohio (if applicable)

If you decide to form an LLC or corporation (see "Choose a legal entity" below), doing so will automatically register your business name and you can skip over this step. But if you are not quite ready to form your entity then it may be a good idea to register your business name with the state by filing a DBA (Doing Business As), also known as a Fictitious Business Name. This helps ensure that you are legally able to operate your business under that name, while preventing others from using the same name in your state.

Choose a legal entity and file with Secretary of State

Unless you set up a separate business entity in your state, then you will be operating as a sole proprietor by default (if you are a single owner).

While this may be the right choice for some, it is not always the best option. When you create a separate legal entity with the state, you are separating yourself (and your assets) from the business. Many business owners choose to operate either as a Limited Liability Company (LLC), or a Corporation (either S or C Corporation). It is helpful to consult an attorney and/or CPA to review the legal and tax ramifications of your decision.

Designate a registered agent

State law requires you to have an “agent” of the corporation or LLC who is responsible for receiving vital legal and tax notifications on behalf of your business entity. If you form a corporation or LLC, then your registered agent must be located in the same state where your corporation or LLC was formed. The address of the agent must be a physical address, not a post office box, and it must be open during all normal business hours. If you hire an attorney to establish your corporation or LLC, you can request that the attorney or law firm be designated as the registered agent.

File for trademark protection (if applicable)

Keep in mind that while a DBA (Doing Business As) application protects your business name in your state, it does not stop anyone from using the same name in other states. To protect the name of your product or business nationwide, you will need to file for U.S. trademark protection. It is a good idea to consult an attorney for help with this process.

File for Copyright protection (if applicable)

Copyrights cover original works of authorship, such as art, advertising copy, books, articles, music, movies, software, etc. A copyright gives the owner the exclusive right to make copies of the work and to prepare derivative works (such as sequels or revisions) based on the work. If your business produces or publishes content that you wish to copyright, consider filing a copyright application. It is a good idea to consult an attorney for help with this process.

File Patent protection (if applicable)

Patents are the best protection you can get for a new product or invention. Key issues in determining whether you can get a patent: (1) only the concrete embodiment of an idea is patentable, (2) the invention must be new or novel, (3) the invention must not have been patented or described in a printed publication previously, and (4) the invention must have some useful purpose. You can obtain a patent from the U.S. Patent and Trademark Office. You typically need a patent lawyer to draw up the patent application for you, as this process can be complicated and take several years.

- Get all founders to assign intellectual property to company**

Each co-founder should sign a legal document transferring their relevant intellectual property to the company. Furthermore, any signed employment agreements with the founders' former employers should be reexamined to see if a potential ownership dispute may arise over the intellectual property to be assigned to the startup. Do this at the earliest possible stage of your company.

- Register your .com domain name**

One of the best ways to protect your business or product name is to register the corresponding .com domain name with a domain name registrar such as [GoDaddy](#). Why is the .com version of your domain name so important? Because customers have become accustomed to assume that your domain name ends in .com and will automatically look for the .com version of your domain name when searching for your website. Also search engines will usually give your site higher ranking in their search results if it has the .com domain name associated with it.

If your desired domain name is already taken, you can attempt to purchase the domain name from its current owner, or you may want to consider other .com variations of your name. However, if you decide to choose a different domain extension, such as .net or .biz, you should consider the fact that whoever owns the .com version of that same name may receive a portion of your intended web traffic.

- Request Federal Tax ID Number or Employer Identification Number (EIN)**

If you are operating as an LLC or corporation, your business is required to have a Tax ID number and you will also need one to open your business bank account. If you are a sole proprietor, you are not legally obligated to get a Tax ID number, but it is smart practice. With a Tax ID number for your business, you will not have to give out your personal security number to every client or vendor you work with. [Read how to apply for an EIN](#) at the IRS website.

- Open a business bank account**

You will need a separate bank account for your business (under your new EIN), especially if you are operating as an LLC or Corporation. If you comingle your personal funds and business funds, then you risk losing the asset protection that having a separate legal entity provides.

- Choose a location for your business**

Decide whether you will work from home or rent office or commercial space. Depending on the type of business you are starting, working from home could violate zoning laws or raise other legal issues. Be sure to consult an attorney if you are unsure.

Negotiate a commercial lease (if applicable)

If you choose to rent office or commercial space, you will need to negotiate the terms of your lease. If you are working with a broker, do not assume that person will negotiate on your behalf. Be careful: a broker may be paid a commission by the landlord, in which case the broker works for the landlord and not for you. Therefore, it is best to have your own attorney review any lease documents before you sign them to be sure that your interests are being protected.

Buy business insurance

Every business has its own unique insurance requirements, depending on a variety of factors, including whether you operate out of your home or a commercial space, whether you have employees, the type of product or service you offer. Be sure to review your coverage to determine if you are adequately protected and in compliance with the insurance requirements of your industry and location.

Obtain the necessary permits and licenses

Depending on what kind of business you have and where you are located, you may need to get business licenses from the state, county, or city. Examples include: zoning permit, sales tax license, health department permit, professional licenses, or a general business operation license. The need for special permits or licenses will depend upon your industry and location. Do not begin operations without obtaining the necessary permits and licenses.

Build a team

In order for your business to grow, it is necessary to surround yourself with the right people. However, when you are first starting out, you may want to outsource some functions to avoid the burdens that come from having employees, such as payroll tax, human resources issues, and recordkeeping. When it comes time to hire your first employees, be sure to hire only those who share your values and goals for the company. When bringing co-founders on board, look for people with skill sets that complement (not duplicate) your abilities. Also, be sure to assemble a team of outside advisers such as an accountant, a lawyer, a mentor, and a board of advisers.

Get a mentor

Regardless of your experience level, you are likely to benefit from having a more experienced mentor to guide you through the pitfalls of starting a business. Having a mentor to serve as a sounding board gives your business an outside perspective and helps you to avoid problems early on. If you do not know anyone that can serve as your mentor, contact local groups that support entrepreneurship in your area (such as [JumpStart](#) here in Northeast Ohio) to inquire about the availability of mentoring for your business.

Hire a business attorney

It is usually a good idea to consult a business attorney before you form your legal entity, or sign any leases, contracts, or other legally binding documents. While many entrepreneurs will tell you that you can save a lot of money by purchasing pre-written legal forms online and filling them out yourself, this is NOT the same thing as hiring a lawyer. The mistakes that you are likely to make using your own homemade contracts or ones you found or purchased online, will probably cause you to spend more in legal fees down the road to litigate matters that could have been fully addressed from the start in a properly written legal document.

Hire an accountant

There are tax consequences in how you set up your company, how you hire people, how you sell your products or services, and more. Having a skilled tax advisor on your team from the very beginning will help you to avoid actions that could have costly tax consequences for your company down the road.

Setup a bookkeeping and accounting system

You will need to decide whether to run your books based on the cash or accrual method of accounting. If your business cycle does not follow a normal calendar year, you may want to choose a more suitable fiscal year. Create a system to monitor your accounts payable and receivable. If necessary, purchase small business accounting software and/or consider hiring someone to help with your company's bookkeeping. Many startups are turning to online accounting programs such as [Freshbooks](#) to simplify their bookkeeping.

Seek outside funding

While it is usually best to bootstrap your business until you begin generating revenue, there may come a time when you will need outside funding. Once they have exhausted their own resources, many entrepreneurs turn to friends and family for their initial seed capital. After that, you should seek angel investors who can provide both cash and guidance to your business. If your business is in a large enough market with high growth potential, you can explore other sources of funding, such as venture capital. However be aware that not all businesses are suitable for such professional investors.

Choose a hosting company

Before you set up your company's website, you or your technical advisers will need to choose a company to host your website. You will want to be sure to choose a reputable hosting company that has up-to-date security, fast site-loading speeds, and does not experience frequent service outages. We have used [HostGator](#) and [SiteGround](#) to host our sites, but there are many other good companies to choose from.

Build a landing page

Before you build your website, you may want to begin by posting a landing page that can receive your web traffic and capture the names and email addresses of visitors who may be interested in your product or service. There are many companies that offer the ability to post professional-looking landing pages without the need for any technical knowledge or web design skills. After trying out several of these, we chose [GetResponse](#) for our landing pages as they seem to offer the best value and features for our needs.

Build a website

One of the most popular platforms for building and maintaining your own website these days is Wordpress. Even someone with limited computer skills can usually learn how to setup and maintain a Wordpress site. There are many pre-designed themes that you can purchase online that will serve as a template for getting your site up and running quickly. One of our favorites is a theme called [Divi](#), which provides a tremendous amount of customization options. All of the functionality for your website is provided via Wordpress plugins which you simply configure to your specifications. You can usually purchase (or in some cases download free) plugins that will provide much of the back-end functionality that you need to operate your company's website. For instance, the most popular ecommerce platform these days, is a Wordpress plugin called [Woocommerce](#) that offers a large and growing selection of modules that will allow you to sell almost any kind of product or service imaginable without having to do any actual programming. You can find a wide selection of excellent Wordpress themes and plugins at [ThemeForest](#).

Create website Terms of Use and Privacy Policy

A Terms of Use Agreement sets forth the terms and conditions for anyone using your website. Your Privacy Policy is a legal statement on your website setting forth what you will do with the personal data collected from users and customers of the site, and how such data may be used, sold, or released to third parties. Terms of Use Agreements and Privacy Policies should not be blindly copied from other sites. There is no one-size-fits-all approach to these documents. Instead you should have your attorney draft these policies to meet your specific needs.

Start a blog and/or email newsletter

Having a blog on your site provides a place for you to announce news about your company's products and services. You can also use it to educate your customers on how to use your products to achieve better results for themselves. It is always a good idea to post a form on your site where visitors can sign up for your email newsletter so that they can stay up-to-date on your company and its products.

❑ Capture email addresses

Email marketing is a powerful tool that every company should utilize. However you must comply with anti-spam rules and regulations. Therefore, using an email service, such as [MailChimp](#) or [GetResponse](#), will keep you in compliance. These services will also provide you with forms that you can embed on your site for capturing email addresses. They will store these email addresses and help automate the process of sending out email newsletters, auto-responders, and other email communications to your customers and potential customers.

This checklist is meant to be a starting point for organizing the launch of your new business. It is always a good idea to consult professional law and tax advisors to explore the particular requirements of your own unique business.

Good luck.

About the Author: Marc Rossen Attorney at Law counsels startups like yours on a full range of legal issues. Whether you manage a thriving business or simply have an idea for a product or business you wish to pursue, visit [RossenLaw.com](#) for more information or contact Marc Rossen at (216) 696-2428 to schedule a free initial consultation.

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