



9 ESSENTIAL STEPS
FOR SMALL BUSINESSES,
ENTREPRENEURS & CREATIVES

THE VENTURE MAP



*Peace of mind
for your pursuit.*

01 PLAN

02 FORM

03 FINANCES

04 TAX

05 LICENSES, PERMITS & ZONING

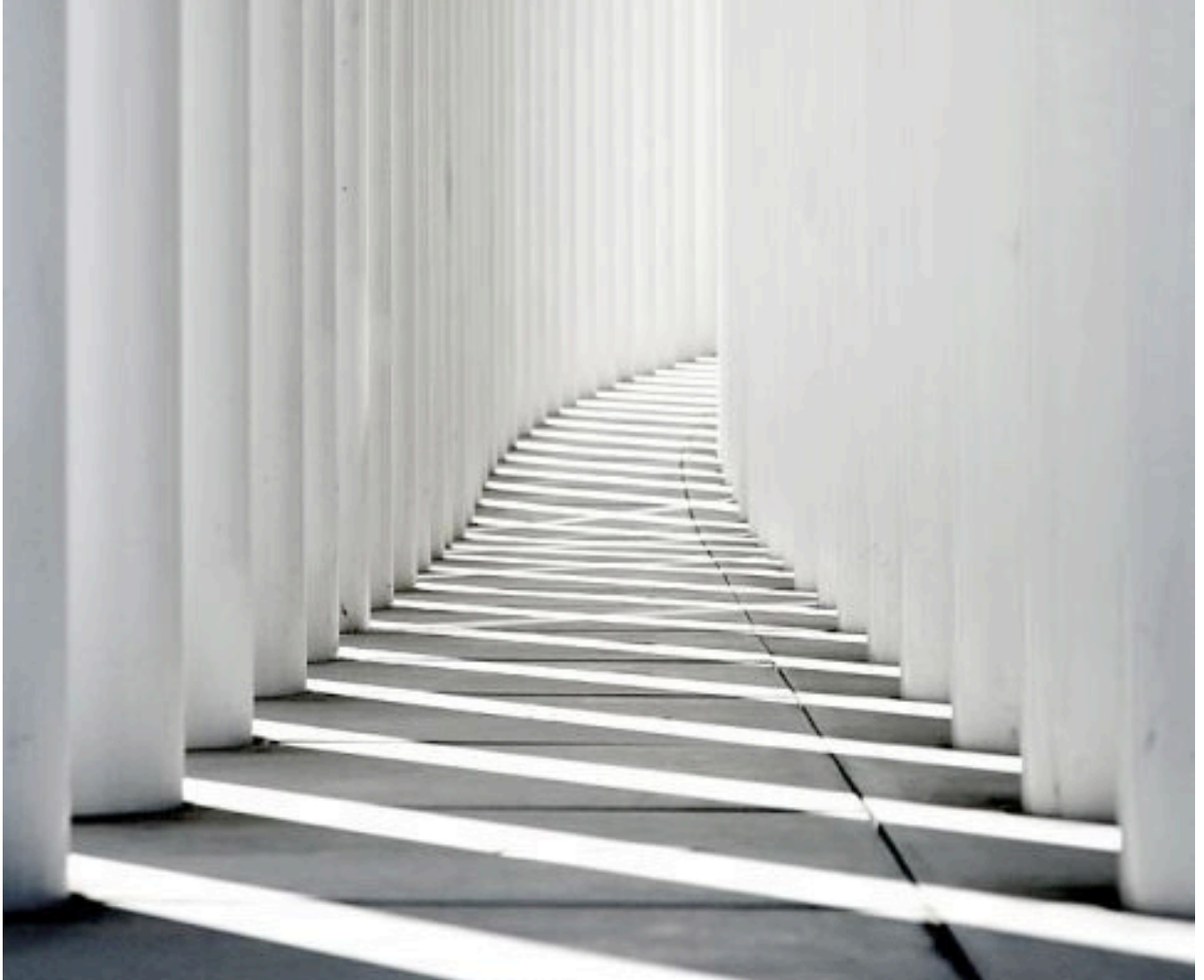
06 INSURANCE

07 INTELLECTUAL PROPERTY

08 CONTRACTS

09 EMPLOYMENT

01 *BUSINESS PLANNING*





MARKET QUESTIONS

- Who are you selling to
- What are you selling
- Where are you selling it
- When do you plan to sell
- How big is the market
- Why will people buy it



BUSINESS QUESTIONS

- Who is a part of company
- What is company value add
- Where is company operating
- When do you plan to launch
- How is company funded
- Why would financiers invest



BUSINESS PLAN

- Executive Summary
- Company Description
- Market Analysis
- Organization and Management
- Service or Product Line
- Marketing and Sales
- Funding Request
- Financial Projections
- Appendix



02 *BUSINESS FORMATION*





BUSINESS NAME

- Search name via online search engines, state and county clerk offices, and US Patent and Trademark office
- Trademark protects name federally
- Business entity protects name statewide
- Fictitious Business Name/Doing Business As (FBN/DBA) protects name regionally/locally
- Domain name protects online presence



BUSINESS ENTITY

Choose and file your legal entity with Secretary of State

- Sole Proprietor
- Partnership
- Limited Partnership (LP)
- Limited Liability Partnership (LLP)
- Limited Liability Company (LLC)
- Corporation (C-Corp, S-Corp, B-Corp)
- Non-Profit

**Filing entities in state other than where do business (i.e. Delaware, Wyoming, or Nevada) can be beneficial.*



VIRTUAL IDENTITY

- Domain name
- Website setup
 - Privacy Policy
 - Terms of Use
 - Federal Trade Commission (FTC) Disclosures
- Social Media Handles
- Email Lists
- Search Engine Optimization (SEO)



03 *FINANCES*





BANK ACCOUNT

Keep business funds separate from personal funds, pay with business checks or cards, and allow customers to pay business directly.

Bank Needs: Employer Identification Number (EIN), Formation Documents, Ownership agreements, Business license.
**Differs by bank*



CREDIT CARD

Build credit history for business, help make large startup purchases, and be prepared in event of financial emergency. Also important for securing funding and negotiating supply agreements.

**Consider opening line of credit with vendors and suppliers*



ACCOUNTING

A Balance Sheet + Profit and Loss (P&L) Statement are the foundation of a business' financials; they keep track of capital and give cash flow projections. Consider hiring a Certified Public Accountant (CPA), bookkeeper, or using an online service.



FUNDING

Investors: Friends & Family - Angel Investors & Angel Groups - Accelerators & Incubators - Family Offices - Venture Capital
- Private Equity - Corporate & Institutional Investors

Other Funding: Loans (Debt) – Crowdfunding - Business Credit - Gov't funds or Agency funding - 3rd party Grants or Contests

04 TAX





INTERNATIONAL - National Governments

- Income tax
- Payroll taxes
- Consumption taxes: sales, excise, & value-added (*popular in EU*)
- Import & Export tariffs



FEDERAL – Internal Revenue Service (IRS)

- Income Tax
- Estimated Taxes (*for self-employed, interest, & dividends*)
- Self-Employment Tax
- Employment Taxes
- Excise Tax

*Get an [Employer Identification Number \(EIN\)](#); a business' Federal tax ID



STATE – Franchise Tax Board & Employment Board

- Income Tax – (CA) Franchise Tax Board www.ftb.ca.gov
- Franchise/Privilege Tax – *If incorporated or doing business in state*
- Sales and Use Tax – *if business sells tangible property (CA)* www.cdtfa.ca.gov
- Property Tax
- Employment Tax –(CA) Employment Development Department www.edd.ca.gov
- Gross Receipts Tax (*some states*)
- & any other required by state doing business in

LOCAL – County & City



- County Property Tax
- City Business License Tax (*ex: Tax Registration Certificate "TRC" from Los Angeles Office of Finance*) <https://finance.lacity.org>
- & any other required by region doing business in

05 *LICENSES,
PERMITS
& ZONING*





INTERNATIONAL

- Business License (*country doing business in*)
- Import license and/or permit

FEDERAL

**rarely affect small business*



FEDERAL TAX REGISTRATION:

- Employer Identification Numbers (EIN)
- Federal registration requirement for corporations electing status as an S-Corp

FEDERAL PERMITS AND LICENSING:

- Investment advisers
- Ground transportation
- Preparation of meats
- Preparation of drugs
- Making tobacco or alcohol
- Making or dealing firearms

STATE

STATE TAX REGISTRATION

- Most assess an income tax. Register with state's agency. (CA) www.ftb.ca.gov



STATE PERMITS AND LICENSING

- Licensing of occupations and professions - *Engineers, physicians, architects, lawyers, cosmetologist, barbers, nurses, teachers*
- Employer-employee matters - *Need state Employer ID Number*
- Special licenses for products - *Liquor, food, lottery tickets, gasoline, firearms*
- Seller's permit/sales tax permit - *If business sells goods on or offline (CA) www.cdtfa.ca.gov*
- Resale Permit - *Allows retailers and wholesalers to buy goods for resale without paying sales tax*
- Environmental regulations - *Emissions into air, discharge of wastewater, handling of hazardous waste*

LOCAL (COUNTY & CITY)

LOCAL TAX REGISTRATION

- County & City Business License Tax - Los Angeles <https://finance.lacity.org>



LOCAL PERMITS AND LICENSING

- Local Business Operating License
- Local property taxes
- Health and Environmental Permits
- Doing Business As (DBA) a.k.a. Fictitious Business Name (FBN)
- Building codes
- Zoning Ordinances

** Officials to talk to: city or county clerk, building and safety department, health department, zoning department, tax office, fire department, police department, public works department*

06 *INSURANCE*





GENERAL LIABILITY

For any business

Protects businesses from claims of property damage, bodily injury, reputational harm, advertising errors, medical payments, or damage to rented property.



PROFESSIONAL LIABILITY

For businesses providing services

Protects against financial loss as a result of malpractice, errors, and negligence.
(AKA "Errors and Omissions")



PRODUCT LIABILITY

For businesses that manufacture, wholesale, distribute, or retail products

Protects against claims of personal injury or property damage caused by products sold or supplied by business



BUSINESS PROPERTY

For businesses with significant amount of property

Protects against loss and damage to company property via fire, smoke, vandalism, and weather.



WORKERS COMPENSATION

For businesses with employees

Provides benefits to employees for work-related injuries and illnesses including medical care, wages from lost work time, and more.

**Required by most states*



BUSINESS OWNER'S POLICY

For small business owners; especially home-based businesses.

A package combining all typical coverage options into a bundle.

07 *INTELLECTUAL PROPERTY*





TRADEMARK

The Brand Protector

Protects names, logos, slogans or any identifier of a product or service.

™ may be used with unregistered marks. ® may only be used when registered with the USPTO and provides ability to sue for infringement and damages.

*Register at www.uspto.gov/



COPYRIGHT

The Creativity Protector

Exclusive right to reproduce literary or artistic work. Protects expression of an idea, *not the idea itself*. © may be used once made, but registering proves ownership and gives ability to sue for infringement.

*Register at www.copyright.gov/



PATENTS

The Invention Protector

Protects processes, methods, and inventions that are “novel”, “non-obvious”, and “useful”. Gives 20-year monopoly on selling, using, making or importing an invention into the USA.

*Register at www.uspto.gov/



TRADE SECRETS

The Competitive Advantage Protector

A formula, practice, method, design, pattern, manufacturing method, or customer list not generally known from which a business obtains an economic advantage over competitors. Businesses treat such information as secrets by: NDA's, work-for-hire, and non-compete clauses.

*No registration necessary

08 *CONTRACTS*





WHEN YOU NEED ONE

- To set expectations and create enforceable agreements
- An agreement for sale of goods over \$500
- An agreement for over a year
- A promise to pay another's debt
- A lease longer than a year
- An agreement for the sale of land

**Applies to CA; varies by state*



HOW YOU MAKE ONE

- Must be written (typed)
- Plainly identify parties of the contract (individuals or business entities)
- State start and end date of agreement
- Provide essential terms of agreements
 - Subject matter, service, quantity, termination, etc.
- Signature of both parties





NON-DISLCOSURE AGREEMENT (NDA)

An agreement between parties to not sue a person or entity who is potentially liable. Essential for effective dispute resolution out of court.



INDEPENDENT CONTRACTOR

If you outsource work to freelancers or independent contractors (web design, content creation, marketing, etc.) then this is for you.



SERVICE AGREEMENT

Details exactly what you offer as a businesses – whether its professional services, software, or sellable goods. It details services to be performed, conditions and terms of service, and limits liability.



PRIVACY POLICY

Required in the USA for any website collecting user data. Discloses how a website gathers, uses, discloses, and manages a user's data.



TERMS OF USE

Govern the behavior of a user when they use a business' website. It provides a business the opportunity to restrict or terminate users' access if they violate the agreement.



CONTENT LICENSING AGREEMENT

If you plan to use, sell, or buy someone else's content then you'll need to detail the terms of the agreement, define the usage of content, and limit liability.



RELEASE OF LIABILITY

An agreement between parties to not sue a person or entity who is potentially liable. Essential for effective dispute resolution out of court.



EMPLOYEE AGREEMENT

If you're hiring someone for your company, you'll want an agreement outlining compensation, benefits, job title, job duties, and employee responsibilities.



OPERATING AGREEMENT

This governing document for an LLC is a private agreement between the members/owners. It details ownership, rights, and responsibilities of LLC members.



IP ASSIGNMENT AGREEMENT

Businesses should have complete ownership of all IP assets in writing. Co-founders assigning relevant IP at formation is recommended.



INVESTMENT AGREEMENT

Agreements between a company and an investor in which the investor gets a certain share of ownership in the company in exchange for money.



BRAND AMBASSADOR AGREEMENT

An agreement between a brand ambassador/influencer and a business to promote or market a product or service.

09 *EMPLOYMENT*





CLASSIFY YOUR WORKERS

Independent Contractor (1099)

Operate under a separate business name from business and invoice for work completed.

Ex: designer, accountant, painter, computer technician, lawyer, electrician, plumber, therapist

Or

Employee (W2)

A person hired for a wage or salary. Under Federal Insurance Contributions Act (FICA) businesses must withhold taxes from wages of employees and pay an employee's portion of social security and Medicare

**The penalty: If a contractor is discovered to meet legal definition of employee, business will pay back taxes and penalties, provide benefits, and reimburse for wages.*



SET UP PAYROLL

- Employer Identification number (EIN) from www.irs.gov
- Find out if you need State or local tax IDs
- Determine if hiring independent contractor or employee
- Ensure new employee completes W-4 Form
- Schedule pay periods to coordinate with tax withholding for IRS
- Create Employee handbook
- Report payroll taxes as needed on quarterly and annual basis

*Need help? Visit <https://www.irs.gov/publications/p15>



EMPLOYEE BENEFITS

Required

- Social Security, Medicare, & Federal Insurance Contributions Act (FICA)
- Federal Income Tax Withholding
- Federal unemployment (FUTA) Insurance
- Workers' compensation Insurance
- Disability Insurance
- Family and Medical Leave Benefits *
- Health Insurance *

* Public or private businesses with 50+ employees must offer or receive tax penalty

Optional

- 401K or Pension plan
- Stock Options
- Paid time off (PTO)
- Dental & Vision Insurance
- Life or Disability Insurance
- Wellness programs
- Corporate memberships



Have questions or looking for counsel?
Reach out.



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