

A 20-Point Checklist for New Home Businesses

By Angela Wu

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You're eager to start your home business and bring in some extra income. Although you're probably bursting with ideas and enthusiasm and want to jump right in, take some time to plan and prepare for your new venture.

Here's a simple checklist you can use in the startup phase of your home based business. Feel free to add additional checkpoints of your own!

- 1) Assess your personality. Are you the entrepreneurial type that will do well with your own business? Are you self-motivated, disciplined, and willing and able to put forth the effort, time, and money? Are you the type that can get up after a failure and try again? There are many quizzes available to help you decide whether or not you're ready for a home business. Try <http://quiz.ivillage.com/work/tests/areyouready.htm>
- 2) Appraise your skills, knowledge, and experience. Make a list of businesses you think you would be capable of building.
- 3) Know your interests. If you're doing something you love, you are more likely to work harder and enjoy yourself. A good place to find unique business ideas is here: <http://homebasedwork.com/cgi-bin/a/t.cgi?bizideas>
- 4) Figure out what type of business you want to run. Out of the huge number of possibilities, select one that works well with your skills and your interests. An excellent manual with 16 different Internet 'business models' that you can copy is available at <http://buildyourhomebiz.com/rd/senze.html>
- 5) Do some market research. Is there a demand for the product you plan to sell, and at the price at which

you want to sell it? After your (projected) expenses, will you be profitable?

- 6) Check out your competitors. How will you distinguish yourself from them? Why should customers come to you instead of to them? What are they doing right or wrong, and how can you improve upon them?
- 7) Select a business name. Make sure you don't infringe upon someone's trademark! You can research trademarks at <http://www.marksonline.com/> . Consult with a qualified legal professional for more information.
- 8) Know the zoning regulations in your area. Make sure that you are permitted to operate a business from your home. Some areas may also place restrictions on the type of business that can be operated from your home.
- 9) Find out what licenses, registration, or permits you need to operate your home based business.
- 10) Research any additional regulations applicable to your product. Find out if there are restrictions on producing it from your home. For example, if you're a caterer, the authorities may not allow you to prepare food in your home if you have pets running around!
- 11) Select a business structure, such as sole proprietorship, partnership, or corporation. Again, you may want to consult with a qualified professional to determine what's best for your specific situation.
- 12) Assess your financial situation. Do you have enough to finance a business startup? How will you handle emergencies? Don't forget about marketing expenses -- the success of your business will depend in large part on how well you market it.
- 13) Secure additional funds, if necessary. Loans, lines of credit, grants, savings, and employment income are some ways that entrepreneurs can finance their businesses. The US Small Business Administration has a useful list: <http://www.sba.gov/starting/indexspecial.html>
- 14) Prepare a business plan to help you define your goals and stay focused. Again, the US SBA offers help at <http://www.sba.gov/starting/indexbusplans.html>
- 15) Investigate the costs associated with purchasing the necessary equipment, materials, and supplies. Contact several suppliers to compare quality, prices, and service.

- 16) Talk to your local tax office. Ask for any relevant information on how your home business will affect your tax situation.
- 17) Consider purchasing additional insurance to cover your business assets.
- 18) Set up your home office. Establish rules and 'office hours', when customers can generally expect to reach you. Consider setting aside a room specifically for your office space.
- 19) Talk to your bank about a business account, to keep your business and personal income and expenses separate.
- 20) Consult with professionals. Depending on your situation, you may need to use the services of lawyers, accountants or bookkeepers, insurance agents or brokers, and others.

For additional information, read the US Small Business Administration's 'Small Business Startup Kit' available at <http://www.sba.gov/starting/indexstartup.html> .

Angela is the editor of Online Business Basics, a practical guide to building a business on a beginner's budget. It's a proven hit with beginners, for the down-to-earth style and loads of instantly useable tips! For details, visit <http://onlinebusinessbasics.com/article.html>

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