

Starting A Sole Proprietor Business

A sole proprietor business is a one-person business that is not registered with the state as a limited liability company (LLC), limited liability partnership (LLP), nor a C-Corp or S-Corp. This form of business is one of the easiest forms of business to setup. This document will walk you through the process.

- 1. Write out a plan of action!** This is generally referred to as a “Business Plan” by most professionals in the industry. These plans are important because they provide direction for your business and personal mind set when times that you need it most. Believe me, when the waters get muddy, this plans provides the clarity that you need to move things forward.
- 2. Come up with a name for your business.** (Don’t tell anyone just yet) A name may define who you are or what services you plan to provide to your customers. Something that uniquely identifies you will be something that you may want to consider.
- 3. Check with a domain hosting company to see if your name is available within the registry.** This is a simple process that can be resolved by going to a company like www.GoDaddy.com
- 4. Obtain your EIN from the IRS.** You may need to obtain an EIN number from the IRS if your State requires one to complete the paperwork. This is easy to do, go to the IRS website or call the 800 number to obtain. (this takes approx. 5 min to complete)
- 5. Obtain your letter from State.** The secretary of state will require that you file some documents with there departments. (this takes approx. 2 hours depending on the office)
- 6. Obtain local government approvals.** Each city and county will have paperwork that needs to be filed to complete your business setup process. Check with both before moving on to the next item. (this can take up to 1.5 hours in the office; 1 week through mail)
- 7. Open a bank account in the name of your company.** Opening a bank account in the name of your newly formed business will further legitimize the business. This will show customers that you mean business. (this can take up to 30 min depending on bank)
- 8. Newspaper ad declaring your new business status.** Some cities or counties require that you place an ad in the local paper announcing the formation of your new business.

9. **Secure your domain name through a domain registrar.** This will allow you the flexibility of creating a web site for your business in the future if you ever decide to go online. You DO NOT want to miss this step.
10. **Order business cards.** Once all of the other items are in place, you can order your business cards to finalize this part of the process. But wait! Now you need to start marketing your newly created business. That will be covered in the next document.