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HOW TO START A SMALL BUSINESS CHECKLIST

Congrats on starting your small business journey! Use this 12-step checklist to track your to-dos and work your way toward opening day—one step at a time.

Step 1: Validate your business idea

Before you spend a dollar, make sure people will actually pay for what you're selling.

☐	Identify the problem your product or service solves
☐	Define your target customer
☐	Confirm people will pay enough for you to turn a profit
☐	Research existing solutions and how you're different
☐	Talk directly with potential customers
☐	Run surveys or quick online tests
☐	Study competitors to find gaps in the market
☐	Test a simplified version of your product or service

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Step 2: Research your market and competitors

Know your landscape before you build your strategy.

- [ ] Identify your target audience and their needs
- [ ] Conduct customer interviews
- [ ] Use surveys to collect data from potential customers
- [ ] Research competitors using Google, social media, and review sites
- [ ] Review industry reports and market data (Statista, IBISWorld, etc.)
- [ ] Use Google Trends to track interest in your category over time
- [ ] Monitor online conversations about your industry

Step 3: Write a business plan

A focused, living document—not a 50-page tome no one reads.

- [ ] Write an executive summary (one page; write this last)
- [ ] Describe your business: purpose, solution, and unique value
- [ ] Complete your market analysis: target customers and competitors
- [ ] Outline your product or service and pricing
- [ ] Draft your marketing strategy
- [ ] Build 12-24 month financial projections
- [ ] Monitor online conversations about your industry
- [ ] Identify your funding requirements and how you'll use capital
- [ ] Schedule quarterly reviews to keep the plan current

Step 4: Choose the right business structure

This decision affects your taxes, liability, and long-term flexibility.

- [ ] Research your options: sole proprietorship, LLC, partnership, or corporation
- [ ] Consider personal liability exposure for each structure
- [ ] Factor in tax implications for each option
- [ ] Consult a lawyer or tax professional before deciding
- [ ] Choose your structure and document your decision

Step 5: Register your business and handle legal requirements

Make your business official so you can operate with confidence.

- [ ] Register your business name (file a DBA if operating under a trade name)
- [ ] Obtain your Federal Tax ID (EIN) from the IRS website—it's free
- [ ] Register at the state level (requirements vary by state)
- [ ] Apply for required local business licenses and permits
- [ ] Obtain any industry-specific professional licenses
- [ ] Set up a sales tax permit if you'll be collecting sales tax
- [ ] Add a privacy policy and terms of service to your website

Step 6: Set up banking and bookkeeping

Get your financial foundation right from day one.

☐	Open a dedicated business bank account
☐	Apply for a business credit card to track expenses and build credit
☐	Set up a payment processing system (credit cards, digital wallets, etc.)
☐	Choose accounting software (QuickBooks, Xero, or Wave)
☐	Set aside 25–30% of profits for taxes
☐	Establish a record-keeping process for income and expenses
☐	Consider hiring a bookkeeper if this isn't your strength

Step 7: Estimate startup costs and secure funding

Know what you need before you go looking for money.

☐	List all one-time startup costs (equipment, website, inventory, registration fees)
☐	Estimate recurring monthly expenses (rent, utilities, subscriptions, marketing)
☐	Account for owner salary and any employee wages
☐	Build a rainy day fund covering 6+ months of expenses
☐	Identify your funding sources (personal savings, loans, investors, grants)
☐	Explore SBA loan programs designed specifically for small business financing
☐	Connect with a Small Business Development Center (SBDC) for free one-on-one consulting and guidance — find your local SBDC at americassbdc.org
☐	Prepare financial projections to present to lenders or investors
☐	Aim to secure enough runway for at least 18 months of operations

Step 8: Get business insurance

Protect everything you're building before something unexpected threatens it.

- [ ] Get general liability insurance
- [ ] Consider professional liability insurance (especially for service businesses)
- [ ] Insure your property: equipment, inventory, and furniture
- [ ] Look into business interruption coverage
- [ ] Get workers' compensation insurance (required in most states once you hire)
- [ ] Evaluate cyber liability coverage if you handle customer data
- [ ] Work with a broker who specializes in small businesses
- [ ] Review and update coverage as your business grows

Step 9: Find and set up your location

If you need a physical space (retail, a studio, an office, or any staff location) use this step to get it right.

- [ ] Research locations that match your customer base, foot traffic needs, and budget
- [ ] Understand zoning requirements for your type of business before committing to a space
- [ ] Review your lease carefully — consult a lawyer before signing
- [ ] Negotiate lease terms: duration, rent escalations, and tenant improvement allowance
- [ ] Obtain a certificate of occupancy if required for your space
- [ ] Apply for any location-specific permits (signage, health, fire, etc.)
- [ ] Plan and complete your space setup or build-out
- [ ] Purchase and install necessary equipment and furnishings
- [ ] Set up utilities, security systems, and access controls

Step 10: Build your brand and go-to-market strategy

Your brand is the full experience customers have with your business—make it count.

- [ ] Develop your visual identity: logo, colors, and fonts
- [ ] Write your brand story: why you started and who you serve
- [ ] Define your target audience specifically (not "everyone")
- [ ] Choose 2-3 marketing channels where your customers actually spend time
- [ ] Build a website that clearly communicates what you offer and who it's for
- [ ] Set up and verify your Google Business Profile — it's free and essential for local visibility
- [ ] Create a content plan that helps your audience solve real problems
- [ ] Set up social media profiles on your chosen channels
- [ ] Plan your launch outreach

Step 11: Hire your first team

Your business is almost ready to open — now it's time to build the team that will help you run it.

- [ ] Determine which roles you need to fill before opening day
- [ ] Write clear job descriptions for each role, including hours, pay range, and responsibilities
- [ ] Post jobs where your candidates spend time (Indeed, ZipRecruiter, local job boards, social media)
- [ ] Screen applicants and schedule interviews
- [ ] Conduct interviews and check references
- [ ] Make your offer in writing
- [ ] Set up direct deposit for new hires
- [ ] Collect required onboarding paperwork: I-9 (employment eligibility), W-4 (federal withholding), and any state withholding forms
- [ ] Create an onboarding plan so their first week sets them up for success Hiring your first team is a big milestone — and managing schedules, time tracking, and payroll from day one doesn't have to be complicated. Homebase makes it easy. Get started for free.

Step 12: Set up your business tools

The right tools save you time and make your day-to-day operations run smoothly.

- [ ] Set up employee scheduling software
- [ ] Implement a time tracking system
- [ ] Choose a payroll solution
- [ ] Set up a team communication app
- [ ] Look for tools that automate repetitive tasks and reduce manual work

This checklist is for informational purposes only and does not constitute legal or financial advice. Consult a qualified professional for guidance specific to your situation.