

**OCTOBER 2024**

**INSIGHTS AND DEVELOPMENTS IN THE LAW-  
BUSINESS START-UP CHECKLIST**

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**INSIGHTS AND DEVELOPMENTS IN THE LAW**

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**BUSINESS START-UP CHECKLIST**

Both heart and mind must be working well if the owners of a new small business are to experience success. While it is only human nature, not to mention fun, to indulge one's imagination about what a new business started from scratch could be like, would-be entrepreneurs need to engage in some cold, hard thinking and planning before taking the plunge. At the risk of pouring cold water on some of the anticipation and excitement, what follows is a guide for how to plan for and think through the many decisions that must be made

well before you have that “Grand Opening” sign made.

### Why?

This may seem obvious, but you should know just what your reasons are for wanting to start a new business. If the motivations are weak, odds are the business will be a bust, but well-founded reasons can help a business persevere through good times and bad. Some common reasons for starting a new business include escaping the whole 9-to-5 routine (though it may be replaced by an 8-to-8 routine), answering to no one else, upgrading your standard of living, and being convinced that you can provide a needed product or service.

### Why me?

Let’s face it, not everyone is cut out to be a captain of industry, or even captain of a small business. Maybe you need not subject yourself to an intensive psychological and life-experiences evaluation, but be honest with yourself about whether you have the necessary characteristics, skills, and experience. A few examples can give you the idea:

- Can you make yourself pull the trigger on an important decision?
- Do you see competition as exciting or just stress-inducing?
- Are you willing and able to plan ahead?
- Do you like interacting with people you don’t know?
- Do you have the perseverance, not to mention the physical stamina and health, to put in long hours if that’s what is needed to make the business succeed?
- Are you, and anyone else financially dependent on you, prepared to risk your savings in pursuit of the business dream if that’s what it takes?
- Unless you are planning a one-man band of a business, are you comfortable with hiring, supervising, and possibly having to fire other people?
- Are you reasonably well organized?
- Do you know anything about the paperwork and legal side of running a business, such as payroll and accounting, the permits or licenses you will need, or the regulations and laws that may apply to the business?

### Why This Business?

You may have the best motives and a skill set that would be the envy of any MBA graduate, but if there is no niche for your planned business, or, simply put, if not enough people will want to buy what you are selling, the new business will fail. The variables here include timing, location, and simply whether your business is feasible or practicable, so that you can be the one to fill that niche that you have first identified. Don’t make your business the equivalent of

carrying coals to Newcastle.

In economic terms, you want to do some investigation to determine if there is some currently unmet demand for the product or service that is competitive in quality, selection, price, and/or location. In short, learn as much as you can about the market you will be in. Learn who your customers will be and try to understand their needs and desires. Anticipate how your fledgling business will compare with any established competitors. What can you do in setting up and running the business to make sure you get your share of whatever market there is for your product or service?

## How?

Turning the idea into bricks and mortar (literally or figuratively) involves a lot of decisions, some of which are best made only after getting professional advice. Still, you should acquire at least a layperson's understanding of the pros, cons, and consequences of each decision.

Choose a name for the business that you find appealing, but also one that is informative for someone hearing it for the first time. Select the most appropriate business form, such as a sole proprietorship, a partnership, or a corporation. Investigate which local, state, and federal laws and regulations will apply to the business. This will run the gamut from laws of universal application (e.g., taxes) to laws specific to your business.

Make an unflinching and detailed examination of your financial picture. How much do you have now, how much will you need to start the business, and how much will you need to stay in business? Projecting cash flow into the future means taking into account such variables as seasonal trends in sales, the amount of cash taken out of the business for personal expenses, whether and when to expand the business, and the rate at which customers will pay off accounts if credit is extended to them.

Find a location for the business that is convenient for customers, appropriate in size and configuration, and zoned so as to allow your type of business. When you have settled on the product or service you will sell, calculate the inventory you should create and maintain and locate reliable suppliers.

Finally, if you go to all the trouble and expense involved in creating a small business, don't forget to think about protecting against losing the business from such threats as fire, theft, robbery, vandalism, and liability for an accident. This means taking measures to provide security, but also arranging for the appropriate types and levels of insurance.

If anyone has any questions or comments, do not hesitate to contact us.

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