

# Black Belt Incubator Network

## Small Business Startup Checklist

There are a number of steps a small business or entrepreneur should take before starting a business in Alabama. Below is a list of steps to use as a reference guide in preparing to start your business. For more detailed information on the topics below, the following resources and booklets are available:

Small Business Administration's *Small Business Resource*, [www.sba.gov](http://www.sba.gov),  
Department of Revenue's *Starting a New Business*, [www.revenue.alabama.gov](http://www.revenue.alabama.gov)  
Department of Commerce's *Alabama's Answers*, [www.madeinalabama.com](http://www.madeinalabama.com)

### ● Prepare a written business plan with financial statements.

Bankers and other credit grantors need to study the business owner's balance sheet and income statement in order to decide whether credit should be extended.

### ● Decide whether you wish to operate as a sole proprietorship, partnership or corporation.

Once you have decided to start a business, you must decide what type of business entity to use. There are many legal and tax considerations which must be considered in order to make a sound decision.

### ● Establish a source of adequate and reliable financing.

This is the biggest obstacle to overcome,, but developing a sound strategy for obtaining the proper type and amount of financing is crucial for the long term success of any business. There are different types of financing options available that include both public and private sources.

### ● Select a suitable location.

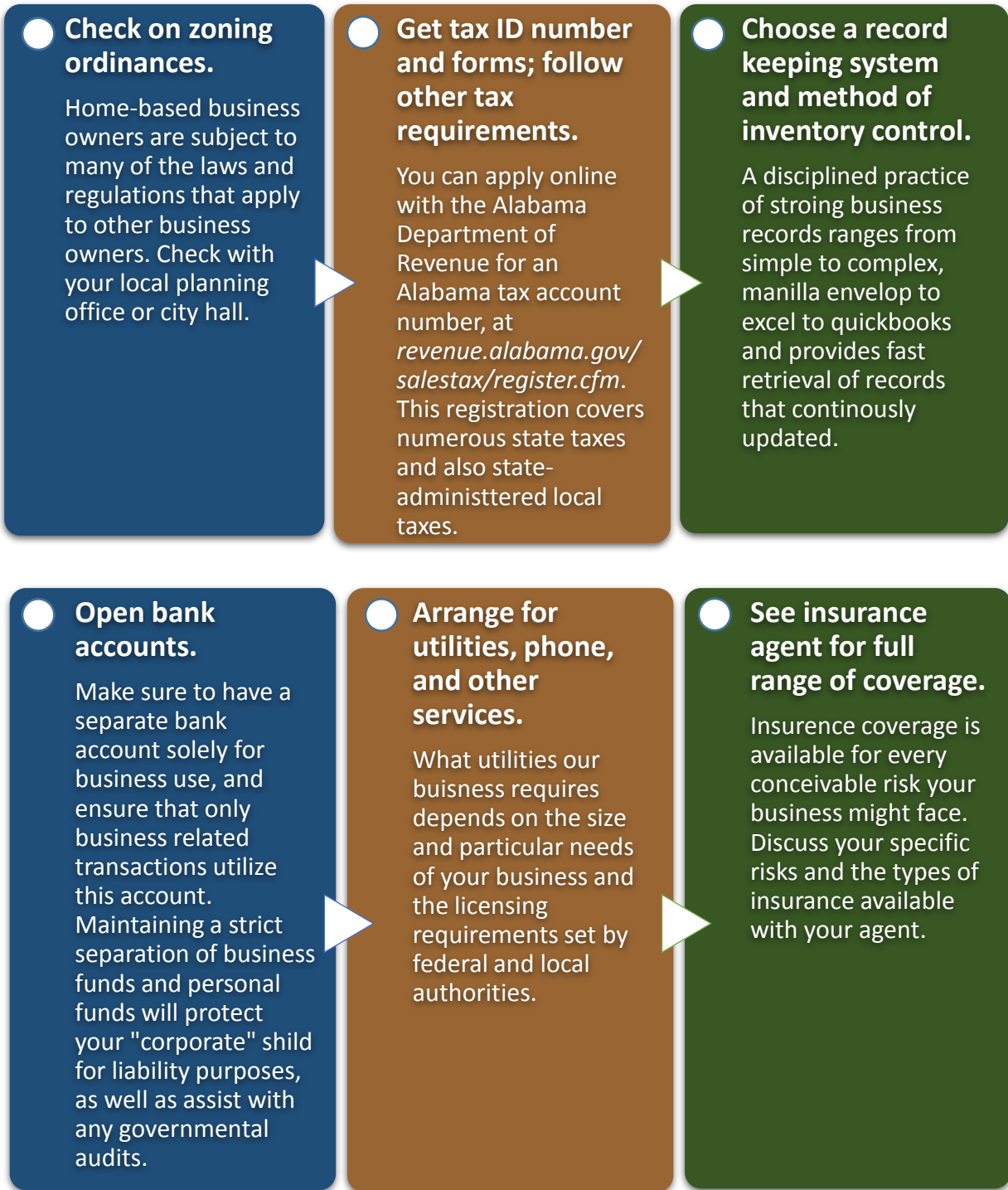
This important decision requires precise planning and research. It involves looking at demographics, assessing your supply chain, scoping the competition, staying on budget, and much more.

### ● Retain an attorney and CPA, if appropriate.

A CPA can help you establish effective business operations, plan for profitability, and set short and long-term strategies specific to your business.

### ● Acquire necessary licenses and permits.

Every business must obtain a state, county, and city business license, and the cost depends on the type of business. The State and County licenses are issued by the county Probate Judge or License Commissioner.



When determining the commercial merit of your business idea and planning your business, the following areas should be considered:

- Legality
- safety
- environmental impact
- potential market
- product visibility
- service
- new and existing competition
- potential sales
- perceived functions
- need
- promotion
- distribution
- price
- appearance
- investment costs
- trend of demand
- market research
- profitability

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