



COMMITTEE ON

SMALL BUSINESS

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Getting Started and Growing Your Small Business

I want to start a business but where do I begin?

Starting a business involves planning, making financial decisions, and completing a series of legal activities. The [Small Business Administration](#) (SBA) offers the following steps to start the process:

- **[Write a business plan](#)**. A business plan serves as a roadmap. Consider including key concepts such as the firm's mission, objectives, strategies, and action plan required to achieve the stated objectives. In addition, if you are seeking funding for your business, providing financial projections to back up your request will be critical.
- **[Conduct market research](#)**. You need to learn about your potential customers, competitors, and industry. Market research involves analyzing data to help you understand which products and services are in demand and how to be competitive.
- **[Choose a location](#)**. Most business owners choose a location that provides exposure to customers. Selecting a business-friendly location also involves looking at demographics, assessing your supply chain, scoping the competition, and understanding state laws and taxes.
- **[Finance your business](#)**. A variety of options are available for financing your small business, including traditional lending, government backed loans (such as the [SBA 7\(a\) program](#)), and [venture capital](#).
- **[Determine the legal structure of your business](#)**. The business structure you choose will have legal and tax implications. Decide which form of ownership is best suited for your business: sole proprietorship, partnership, Limited Liability Company (LLC), corporation, S corporation, nonprofit, or cooperative.
- **[Register your business](#)**. Choosing and registering your business name is an important step to legally operating. After you have selected a name, you may need to register with your state or local government agency.
- **[Determine your tax obligations](#)**. Federal tax obligations are determined by the form of business entity you establish. Similarly, the forms you use to report your taxes depend on how your business is organized. You will also have to comply with state and local tax laws. Register with your state and the Internal Revenue Service to obtain tax identification numbers, workers' compensation, unemployment, and disability insurance.
- **[Obtain business licenses and permits](#)**. If your business is involved in activities supervised and regulated by a federal agency you may need to obtain a federal license or permit. In addition, you will need to determine which general business permits, license, and registrations may be required by your state, county, or city.
- **[Hire and retain employees](#)**. When you are ready to [hire](#) employees for your business, learn about the responsibilities that employers have under employment and labor law.

- **Get training and assistance.** Take advantage of free training. Find courses offered through the SBA Learning Center at: <https://www.sba.gov/tools/sba-learning-center/search/training>. Local counseling and other assistance can be found at: <https://www.sba.gov/tools/local-assistance/districtoffices>.

I have a business but how do I grow it?

Choosing the proper steps to take to grow will depend on factors such as the type of business and available resources. SBA has provided the following ideas on ways to expand:

- **Develop a marketing plan.** A solid marketing plan includes everything from understanding your target market and competitive position to what tactics you intend to use to differentiate yourself from competition. See the [guiding principles of marketing](#) and [how to develop a marketing plan](#).
- **Win a government contract.** Federal, state, and local governments offer businesses the opportunity to sell products and services. Many agencies require that a percentage of procurements be set aside for small businesses. Learn how to get started as a contractor at: <https://www.sba.gov/contracting/getting-started-contractor>.
- **Expand globally.** With nearly 96 percent of consumers living outside the U.S. and two-thirds of the world's purchasing power in foreign countries, consider exporting to increase sales and profit. For six steps to help you begin, see: <https://www.sba.gov/managing-business/exporting/explore-exporting>.
- **Merge with or acquire another business.** Research companies that are similar to yours, or that have offerings that are complementary to yours, and consider the benefits of combining forces or acquiring another company.
- **Enhance your use of technology.** Understanding advanced technologies can help increase business efficiency and expand operations. Specifically, SBA provides resources on [eCommerce](#) and [online advertising](#).
- **License your product.** Licensing can be an effective, low-cost growth medium, particularly if you have a service or branded product. Licensing also minimizes your risk and is low cost compared to the price of starting your own company to produce and sell your brand or product. To find a licensing partner, start by researching companies that provide products or services similar to yours. Licensing professionals can help with product development, licensing agreements, and merchandising.
- **Diversify.** Diversifying allows you to have multiple streams of income that can often fill seasonal voids and increase sales and profit margins. Here are a few of the most common ways to diversify:
 - Sell complementary products or services;
 - Teach adult education or other types of classes;
 - Import or export yours or others' products;
 - Become a paid speaker or columnist.