



How to Start a Small Business

*Sponsored by the Massachusetts Office of
Business Development*

I. Starting a New Business

Starting a new business can be an exciting and rewarding process. In order to provide for the best conditions involving the launch of your business, it is important to plan ahead of time and to have a well-detailed business plan in place. Before setting off on the creation of your new business, ask yourself the following questions:

- “Am I ready to start a business?”
- “Will I be able to succeed?”
- “Do I have the money necessary to start or do I know where I can get it from?”
- “Do I have a back-up plan in place in case things do not turn out as originally planned?”

The U.S. Small Business Administration (SBA) provides a free simple assessment tool on their website to further help in assessing whether you are ready to start a business.¹ Starting a new business is a big responsibility and commitment. Fortunately, the Commonwealth of Massachusetts has created an open and welcoming environment to do business in. If you believe that you are ready to start a new business, follow this guide to help turn your dream business into reality.

Businesses come in many different shapes and sizes. No two businesses are exactly identical in terms of location, employees, and services or products offered. Therefore, it is important that you first decide what your business will offer. Will you be providing a service, creating a product, or both? When deciding the function of your business, keep in mind the overall economic climate and the saturation of the market. One way of determining these conditions is by performing a *competitive analysis*. A competitive analysis is the process of evaluating competitors, in terms of their strengths, weaknesses, the services or goods that they sell, and other specific characteristics that help attract business to their companies. A competitive analysis will help in allowing you to *differentiate* your new business from ones already established. Various data, regarding small business employment by industry and county in the Commonwealth, can be viewed through the U.S. Small Business Administration Office of Advocacy’s “small business profile” for Massachusetts.² Further statistics and information on small businesses in the Commonwealth can be found through the Massachusetts Association of Community Development Corporations website.

In addition to gathering information on potential competitors, you should realize that all new business ventures face various *risks*. Creating a business often requires a large amount of investment, whether it be through the form of capital, time, or other resources. Before making any substantial investment, you should lay out all anticipated costs with the start of the business. Frequently the return received is not as high as your investment, especially in the early stages of the business. However, having a detailed business plan in place can help mitigate the amount of risk faced and will help in getting your business started.

¹ https://www.msbd.org/assessment_tool.html#

² https://www.sba.gov/sites/default/files/advocacy/Massachusetts_1.pdf

Starting a new business involves a large amount of capital to begin. Knowing how you will finance your business is crucial for a successful start as well as the long-term health of your business. Before beginning your business, you may face various legal obligations pertaining to regulations, licenses, and permits. It is important that you seek professional advice by consulting with an attorney and an accountant to ensure that your business is in compliance and ready to function.

Once your new business has been established, it is important to continue to meet all employer obligations such as filing taxes and ensuring the growth and prosperity of your company.

This guide will assist you in: (II) writing your business plan, (III) financing your new business, (IV) overcoming legal logistics associated with starting your new business, and (V) ensuring your new business grows.

II. Business Plan

Once you have a well-thought-out business idea in terms of what exactly your business will offer, and have performed a competitive analysis, you can then begin to write your business plan. Your business plan will serve as the foundation of your business and can evolve over time. Business plans tend to vary in length, however, most traditional business plans include the following sections: (1) executive summary, (2) company description, (3) market analysis, (4) organization and management structure, and (5) funding.³

In your business plan, you should describe in detail the products or services offered by your business, the location of the business, who will run the business, and how the business will secure funding. A good business plan should address the goals of the business, discuss daily operating procedures, and provide for both short-term and long-term financial management strategies. Additionally, a well-written business plan is essential for potential investors as it provides an overview of what the business looks like and makes it easier for investors to decide whether or not to invest. Good rule of thumb is to make sure you have enough capital to survive a year without making any money.

Online resources regarding business plans, as well as sample templates, can be found through the U.S. Small Business Administration's website. If you are in need of advice or assistance with your business plan, the Massachusetts Small Business Development Center (MSBDC) Network can assist with your business plan development. The MSBDC has regional business advisory locations throughout the Commonwealth, which can be found on their website. Appointments should be scheduled on a weekly or as-needed basis.

III. Financing a New Business

The creation of a new business is often costly and requires securing loans and other sources of capital in order to cover costs. Depending on your new businesses' structure, your source of funding may vary.

³ <https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan>

The following are some ways in which you can obtain funding for your new business:

A. Banks and Credit Unions

One way of securing money for your new business is through a bank or credit union. A small business or commercial loan begins with an application from the institution you are intending to borrow from. A detailed business plan will serve as the foundation of your loan request, as institutions will wish to see what the business entails of before loaning out money. In addition to their own institution-backed small business loans, some banks offer U.S. Small Business Administration loans, which are backed by the federal government as well as the bank, and are designed to meet capital needs of businesses. The SBA 7(a) can loan assist with the start-up costs of new businesses. More information regarding the eligibility requirements of the loan can be found on SBA's website or through a bank issuing such loans.

B. Microloans and Non-profits

An alternative to bank and credit union loans are microloans or loans through non-profit organizations. The Massachusetts Growth Capital Corporation provides various loans to small businesses and also participates in the SBA's Microloan program. The mission of MGCC is "to create and preserve jobs at small businesses, women and minority owned businesses, and to promote economic development in underserved, gateway municipalities and low and moderate income communities." MGCC accomplishes its mission by providing small businesses with working capital, loan guarantees, and special technical assistance regarding financial and operational aspects of the business. MGCC will also assist businesses with acquiring loans by identifying the loan best suited for the business.

MassDevelopment is another organization of the Commonwealth that provides financing solutions for businesses. MassDevelopment offers specific funds and loans as a cost-effective way of financing your small business' capital projects, equipment purchases, and facility expansions.

Similarly, the Massachusetts Business Development Corporation assists businesses with funding throughout the Commonwealth, including equity investments, loans and guarantees, by referring them to banks that provide SBA guaranteed loans.

C. Venture Capital Firms

Depending on the nature of your business, venture capital may potentially be a way of financing the start of your business. Venture capital is private equity that provides funds to small, emerging firms, which have potential for growth. MassVentures is a Massachusetts' based venture capital firm that provides financing primarily through Series A investments to startups. Formed in 1978, MassVentures was initially created as a way of bridging the gap between the need for capital and start-up companies as well as to promote the growth and innovation of early-stage technology firms. Since its formation, MassVentures-backed companies have raised over \$1 billion in additional capital and MassVentures-backed companies have employed more than 7,500 people in the Commonwealth.

If your new business focuses on technology, IT, or health, MassVentures may potentially be a way of raising money.

D. Crowdfunding

Crowdfunding is a relatively new way of raising capital to start a business. It involves selling shares of a company-to-be usually through an online platform, where individuals invest a certain amount. It is also used as a means of raising capital for start-ups seeking to create and offer a specific product. Crowdfunding is a common choice of raising capital for startups involved in the tech industry.

E. Educational Resources

The SBA, as well as the Federal Deposit Insurance Corporation, both provide educational trainings through their websites regarding money management and starting a business. The SBA's partner, SCORE Association, in particular, is a nonprofit association made up of thousands of business counselors across the United States. SCORE provides numerous services to small businesses, such as mentoring programs and free small business advice. There are over 300 local SCORE chapters across the country and the chapter nearest you can be found on score.org. SCORE also provides free small business webinars and hosts initiatives that help small businesses succeed. Their number is 617-565-5591.

IV. Legal Logistics

Creating a new business involves many legal aspects such as adhering to regulations, obtaining licenses, maintaining business formalities, and ensuring that your business is complying with federal and state law.

A. Choosing a Business Structure

Businesses come in different shapes and sizes and the business structure that you choose will have an impact on your business' legal obligations. The most common forms of business structures are: (1) sole proprietorship, (2) partnership, (3) corporation, and (4) LLC. Each structure has its own benefits, which will be described below:

(1) Sole proprietorship

A sole proprietorship is the most common and easiest type of business structure to establish. The owner of the business maintains complete control and receives all profits. The owner is subject to all risk and any potential losses or liabilities the business may endure. To create a sole proprietorship, no legal documents need to be filed with the Commonwealth, instead, once you have chosen a business name, you must file a business certificate with your city or town clerk's office. If you decide to do business under a name other than your real name, you must file a DBA (doing business as) with your local town. A DBA name, however, does not

provide any legal protection. Sole proprietors in Massachusetts must pay personal income tax on business profits.⁴ This form of business structure can be most easily utilized by entrepreneurs seeking to quickly establish a business entity.

(2) Partnership

A partnership is created when two or more individuals or organizations (such as corporations and trusts) form a business together.⁵ Unlike a sole proprietorship, a partnership is not subject to income tax but instead each partner is taxed on their individual share of the partnership income. To create a partnership, Form 3 and Schedule 3K-1 must be filed with the Commonwealth. Additionally, forms 1065 or 1065B & Schedules K-1 must also be filed with the Internal Revenue Service. Partnerships must file their tax returns on or before the 15th day of the third month following the close of each taxable year. Partnerships should also have a partnership agreement in place that sets clear responsibilities, profit and loss distribution of each partner, and other operative agreements pertaining to the business. Similarly to a sole proprietorship, if you decide to do business under a name other than your real name, you must also file a DBA (doing business as) with your local town.

(3) Corporation

A corporation is a type of company or group of people that operates as a legal person. Generally, there are two types of corporations: (1) C corporation, and (2) S corporation. In order to create a corporation in the Commonwealth, you must first select a name that is not currently in use by another business in Massachusetts. Existing names of businesses can be checked on the Secretary of the Commonwealth Corporations Division online database. Additionally, your corporation's name must include either the word "Incorporation," "Incorporated," "Company," "Limited," or any abbreviation thereof at the end of the name. After deciding upon an available name, you must file Articles of Organization with the Secretary of the Commonwealth Corporations Division. The Articles of Organization must include the following: corporate name, the number of authorized shares, the supplemental information that is not a permanent part of the articles, and at least one incorporator's signature. The filing fee for the Articles of Organization is \$275 for up to 275,000 shares and \$100 for each additional 100,000 shares. Your corporation must have an appointed registered agent listed, who has agreed to accept service of process on your corporation's behalf. Additionally, a corporation must file an annual report with the Corporations Division within two and one half months following the close of the corporation's fiscal year end.

As an owner of a C corporation, you will need to file both a personal tax return and a business tax return. An alternative solution to this "double taxation" seen in

⁴ <https://www.mass.gov/service-details/sole-proprietorships>

⁵ <https://www.mass.gov/service-details/partnerships>

C corporations, is to incorporate as an S corporation. In an S corporation, the business' profits are "passed through" and reported on the personal income tax return of the company's shareholders. Thus, S corporation owners are taxed on their shares of the company's profits, which are not subject to self-employment tax. To create an S corporation, you begin by creating a C corporation and then by filing Form 2553 with the IRS and by selecting "S Corporation Status" on the form. To qualify for S corporation status, the corporation must meet all of the following requirements:

- Be a domestic corporation,
- Have only allowable shareholders,
 - May be individuals, certain trusts, and estates and
 - May not be partnerships, corporations, or non-resident alien shareholders,
- Have no more than 100 shareholders,
- Have only one class of stock,
- Not be an ineligible corporation.

The corporation form of business structure is most often utilized by individuals seeking to avoid personal liability. Establishing a corporation can become a relatively complex process and it may be best to seek assistance through the business development organizations offered by the Commonwealth or to obtain private legal counsel in order to help with the creation of your corporation.

(4) *LLC*

A limited liability company, or LLC, is an unincorporated association that offers limited liability to its members. Members of an LLC are provided protection from an LLC's debts, obligations, and liabilities. The name of the company should have the words "Limited Liability Company," "limited company," or the abbreviation "L.L.C., L.C., LLC or LC." To create an LLC, a certificate of organization must be filed with the Secretary of the Commonwealth Corporations Division. The certificate should include information such as: (1) the street address where records will be maintained; (2) the general character of the business; (3) the name and address of the agent for service of process and the agent's consent; and (4) the name and business address of each manager. The filing fee is \$500 and can be done either online or by mail. Once created, every LLC must file an annual report with the Corporations Division on or before the anniversary date of the filing of its original certificate of organization. The report should include all information contained in the certificate of organization, as well as any new changes. The filing fee for an annual report is \$500. To register your business as an LLC, C Corp etc. call the Secretary of State's office at 617-727-9640.

(5) Nonprofit Organizations

If your new business serves for the greater good or has charitable intentions, you may consider filing as a nonprofit organization. A 501(c) organization is a nonprofit organization and is exempt from some federal income taxes. The most common type of a nonprofit organization is a 501(c)(3) organization, and is usually referred to as a charitable organization. Pursuant to IRC 501(c)(3), the following organizations are exempt from federal income tax: “corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided in subsection (i)), and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.”

To create a 501(c)(3) nonprofit corporation in Massachusetts, you must first pick a name for your organization – one that is not already in use by another organization in Massachusetts. You can search existing names on the Secretary of the Commonwealth of Massachusetts’ website. Then, you must select the registered officers and directors of your organization as well as appoint a registered agent. You must also prepare and file your Articles of Organization with the Corporations Division, which includes things such as: (1) the name and address of the nonprofit; (2) the members of the nonprofit; (3) statement of purpose; and (4) the names and addresses of the officers and directors. Additionally, you should have the bylaws drafted for the organization, which state how your organization will function in reference to things such as meetings, voting, and amending the bylaws.

Any charitable organization “organized, operating, or raising funds in Massachusetts” must register with the Attorney General’s Non-Profit Organizations/Public charities Division by filing out the appropriate registration documents. To obtain federal tax exemption, you will need to file IRS Form 1023. Each year, the organization must also file “Form PC” with the Division, as well as the appropriate IRS Form 990. Additionally, your organization should also be registered with the Massachusetts Department of Revenue in order to obtain income tax and sales tax exemptions in the Commonwealth.

Your business will also have to have an Employer Identification Number (EIN) issued by the federal government for federal tax identification purposes. An EIN can be requested online and is received through the IRS’ website. Furthermore, your business should register with MassTaxConnect, the Department of Revenue’s web-based application for filing and paying taxes. A DBA can be filed for incorporated businesses, such as a corporation or LLC, if you

would like to expand your services or change your business name without losing your current business entity.

Generally, the most common type of business structure is a sole proprietorship as it is easy to establish, inexpensive, and quick to create. Small businesses seeking tax benefits, should likely consider establishing as an S corporation. More information regarding these types of business structures as well as all respective filing forms can be found on the Secretary of the Commonwealth Corporations Division website as well as on www.mass.gov/types-of-businesses.

B. Regulations, Licenses, and Permits

Your new business will be subject to both federal and state law regulations and may likely require the need to obtain special licenses and permits in order to be operating in compliance with the law. Many businesses involving professions such as building & trades, health care, commercial fishing, real estate, and transportation, require licenses in order to operate in Massachusetts. In some cases you might also have to check with your local city/town hall and their licensing boards where the business is being located.

The Division of Professional Licensure, an agency within the Office of Consumer Affairs and Business Regulation, ensures that professionals being hired by companies comply with state licensing laws. The Division of Professional Licensure can assist you in determining whether your business needs to obtain proper licensure.

Similarly, the Massachusetts Permit Regulatory Office assists with permitting, licensing, and regulatory processes. Obtaining licenses and permits can take an indefinite amount of time, so it is important to plan ahead when in the process of establishing your business.

In addition, as a business owner and employer, your business will be subject to both federal and state government mandates including minimum wage, paid sick leave, and health insurance. The current minimum wage in Massachusetts is \$14.25 per hour and all employees must be paid at least this amount with the exception of: (1) agricultural workers (\$8.00 per hour is the minimum), (2) members of religious order, (3) workers being trained in certain educational, nonprofit, or religious organizations, and (4) outside salespeople.

Employers must not pay one employee less for doing the same or comparable work as another employee of the opposite sex. Employers must also not discriminate in hiring, pay or other compensation, or other terms of employments based on a person's: (1) race or color, (2) religion, national origin or ancestry, (3) sex (including pregnancy), (4) military service, (5) sexual orientation or gender identity or expression, (6) genetic information or disability, or (7) age.

Further, employers with 11 or more employees must provide paid sick leave. Employers with fewer than 11 employees must still provide sick leave; however, it does not need to be paid. Employers must also provide suitable health insurance if they have 50 or more full-time-equivalent employees. Health insurance coverage is not legally required to be provided by employers with fewer than 50 employees.

All employers in Massachusetts must also carry workers' compensation insurance for their employees and themselves if they are an employee of their company. Members of a limited liability company (LLC), partners of a limited liability partnership (LLP), or sole proprietors of an unincorporated business are not required to carry workers' compensation insurance for themselves. If employees are not members of the LLC or LLP, they still must be covered.

More information regarding employee rights and requirements can be found at: www.mass.gov/ago/fairlabor or www.massworkrights.com. It is recommended that you consult with an attorney to ensure that your business is following best employment practices.

C. Tax Obligations

Your new business will generally have responsibilities relating to paying both federal and state taxes. These responsibilities include⁶:

- Register with the Department of Revenue – 617-887-6367 (see [Registering for State Trustee Taxes and Certain Excise Taxes](#)) to withhold income taxes from your employees' wages;
- Remit those taxes to the Department of Revenue on time and using the appropriate method;
- Obtain from each employee a completed federal Form W-4, Employee Withholding Allowance Certificate (and forward it to the [Internal Revenue Service](#)), and if necessary, a completed * [Form M-4](#), Massachusetts Employee's Withholding Exemption Certificate (and forward it to the Department of Revenue);
- Report all newly hired and reinstated employees and independent contractors to the Department of Revenue within fourteen days of hire or reinstatement (see [New Hire Reporting](#) on the Department of Revenue's [Child Support Enforcement website](#));
- Withhold tax and/or child support payments from the paychecks of your employees or independent contractors, and remit those funds to the Department of Revenue, if directed to do so by a court or the Department of Revenue;
- File quarterly reports of wages paid to each employee who resides or is employed in Massachusetts with the Massachusetts Department of Unemployment (DUA). This filing is done online using DUA's [UI Online](#).
- Provide each employee with a Form W-2, Wage and Tax Statement by January 31, or within 30 days if employment terminates before the close of the calendar year, showing the total amount of wages paid, total Social Security and Medicare taxes withheld and the amount of federal and Massachusetts income tax withheld for the prior year. If required, file copies of all W-2s with the [Massachusetts Department of Revenue](#). You must also file your W-2 information with the Social Security Administration (SSA) - check the [SSA website](#) for details, and due dates.
- Register with the [Massachusetts Department of Unemployment Assistance](#) and fulfill the obligations for state employment security taxes – 617-626-5075.
- Purchase workers' compensation insurance before employees start working for you, (visit the [Department of Industrial Accidents](#) website for additional information);

⁶ <http://www.mass.gov/dor/businesses/current-tax-info/guide-to-employer-tax-obligations/employer->

[responsibilities/overview.html](#)

- Contact the [Internal Revenue Service](#) obligations for withholding federal income, Social Security, and Medicare taxes.

However, different business structures have different tax obligations both federally and at the state level. It is important to consider these tax implications prior to establishing your business.

D. Seeking Professional Advice

Before beginning your new business, it is recommended that you seek out a lawyer to help create your new business. Far too often, many new small businesses begin their endeavor without consulting with an attorney and later run into legal issues. Potential legal issues can be avoided if a lawyer is involved earlier in the process of creating the business. There are numerous laws dealing with small business regulation and a lawyer can assist you in navigating them and ensuring that you are in compliance. A lawyer can also help you with various topics such as deciding your business structure, drafting an operating agreement, creating contracts, developing a hiring process, and protecting your intellectual property. You should do some research on attorneys in your area, or within the state, and reach out to them to see if they can assist you with your matter. Many attorneys specialize in particular fields of law and you may end up contacting more than one attorney depending on the subject or issue.

When communicating with a lawyer, make sure that their rates and fees are clearly described to you for the work being discussed. Some attorneys charge an hourly fee, others charge a flat fee for business matters such as creating a corporation, while others charge a combination of the two. If, however, you feel as though your finances do not allow for the hiring of an attorney, you should seek out pro bono attorneys who specialize in small business development. Organizations such as MassProBono or greater Boston Legal Services can help connect you with an attorney providing services pro bono. Many large law firms also have pro bono initiatives that help provide legal services to small business owners and members of underserved communities.

More information regarding how to find a lawyer in Massachusetts, can be found at www.mass.gov/service-details/finding-a-lawyer/.

In addition to consulting with a lawyer, it is advised that you also seek out a CPA, or certified public accountant, to assist with the financial planning of your new business. An accountant can provide input regarding your business plan as well as the tax implications of your legal structure. An accountant will be able to go over financial statements and how to manage your books once the business starts functioning. An accountant's expert insight will be useful for long-term visions of your company as well as present day financial obligations. Although most CPAs can assist you with filing taxes, a dedicated tax preparer can also help you with filing taxes.

Do not hesitate to obtain professional advice when in the process of starting your new business. Advice early on can help save money in the long run and prevent inefficiencies.

V. Growing and Maintaining Your Business

A. Hiring Employees

Your new business will more than likely require the hiring of employees in order to function. Depending on your business, the employees you will be looking to hire will need to have specific skills or abilities that are in line with your business operations. The Commonwealth has multiple career centers across the state in various regions which can assist you with the hiring of employees, as well as with workforce training grants and tax credit programs. To see the career center nearest you, please visit <https://www.mass.gov/service-details/find-a-career-center-near-you>.

In addition, the Workforce Training Fund Program provides grants to small businesses seeking to train existing or new employees. Grants range from \$10,000 to \$250,000 and are awarded to Massachusetts employers. All training programs must be completed within two years and preference will be given to applications that possess selection criteria in association with job growth and increases in skills or opportunities. To view all of the guidelines for the Fund or to apply, please visit workforcetrainingfund.org.

B. Marketing and Advertising

In order to promote your business and draw attention, it is helpful to have a marketing and advertising strategy in place. Whether your business is a candy store or HVAC repair, a successful business hinges on positive consumer perception.

With the rise of the Internet, numerous methods of advertising exist. Social media platforms such as Facebook, Instagram, and Twitter, all provide a method for customer interaction and to promote the goods or services your business offers. One Massachusetts-based company, Nift, has recently created a network that helps local neighborhood businesses connect with each other by providing incentives in return for consumer feedback.

Consider joining your local chamber of commerce, where many local businesses come together in order to strengthen the community. Alternative forms of advertising, such as writing in your local classified sections in the newspaper, or simple word-of-mouth, can also help promote your business. The Massachusetts Small Business Development Center Network can assist you with your marketing and advertising needs through their business assistance service.

C. Protecting Your Business' Brand

If your company's brand throughout time has acquired a specific distinctive perception by your customers, you may want to consider trademarking your word(s), symbol(s), or design associated with your business. Trademark registration can be done federally, through the United States Patent and Trademark Office, or at the state level through the Corporations Division. Trademarking through the USPTO provides federal protection of your marks; however, is a longer and costlier process. State trademark registration provides protection of your marks only

in the state in which you register them, but is quicker and less expensive than registering federally. Eligibility requirements and trademark registration forms can be found on the USPTO's and Corporations Division's websites.

If your business has invented something new or created a new process, you may want to consider obtaining a patent to protect it. Patents are granted by the USPTO and require a detailed application.

Should you decide to proceed with a trademark or patent, it is recommended that you consult with an attorney to assist you with the application process.

D. Supplier Diversity Program (SDP) and Small Business Purchasing Program (SBPP)

If your business involves goods or services sought by the Commonwealth through the awarding of contracts, you should consider the Commonwealth's Supplier Diversity Program (SDP) and the Small Business Purchasing Program (SBPP).

The SDP promotes the award of state contracts to diverse businesses in order to strengthen and increase business opportunities. The Massachusetts Supplier Diversity Office (SDO), of the Operational Services Division (OSD), certifies diverse businesses and manages several business programs that help enhance the marketability of small and diverse businesses. State agencies may invest in a business either through direct spending, by purchasing goods and services directly from diverse businesses, or through indirect spending, by requiring businesses that have been awarded large contracts to do business with one or more diverse businesses. Spending amounts to annual spending goals, or benchmarks, set by the SDO for Executive Departments for purchasing from minority-, women-, and veteran-owned businesses.

The SDP increases business opportunities for Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), Service-Disabled Veteran Business Enterprises. Veteran Business Enterprises (VBEs), Lesbian, Gay, Bisexual, and Transgender Business Enterprises (LGBTBEs), and Disability-Owned Business Enterprises (DOBEs). Only businesses certified by the SDO or SDO-recognized third-party certification organizations qualify for the program. For more information regarding the Supplier Diversity Program, contact the OSD's Supplier Diversity Program at 617-502-8851, or at sdp@state.ma.us.

The SBPP, or Small Business Purchasing Program, is another program run by the OSD and was established to recognize the importance of Massachusetts' small businesses and the challenges they face. The SBPP assists with the marketing of your business to Massachusetts Executive Department buyers. Registering for this free program is done online through COMMBUYS, the Commonwealth's online procurement platform. State purchasers are encouraged to buy from SBPP members as there is an Executive Department benchmark goal set in place. Once registered in COMMBUYS, your business will receive notifications of procurement opportunities issued by OSD and other entities, allowing you to submit an electronic bid. Additionally, your business will be listed in the searchable SBPP members list and its members will be eligible to attend free training classes to learn more about using

COMMBUYS. To learn more about the SBPP, contact the OSD's Supplier Diversity Program at 617-502-8851, or at sdp@state.ma.us.

E. Supporting Other Small Businesses

Massachusetts is home to over 600,000 small businesses and nearly half of Massachusetts employees are employed by a small business.⁷ Small businesses create thousands of new jobs and by providing ongoing support for them, the Commonwealth continues to thrive as a place to do business in. As a vital part of Massachusetts' economy, it is important that small businesses support each other through various ways. Whether it is buying local, or sourcing from a local business, small business support provides for the opportunity for success and growth. Once your new business is up and running, consider the importance of supporting other small businesses, or perhaps even collaborating with another business. One possible way of interacting with other small businesses is by becoming a member of your local chamber of commerce. Being a member of a chamber of commerce includes many benefits, such as the ability to participate in chamber committees, the opportunity for economic advocacy, special marketing and advertising materials, as well as access to trainings and events.

F. Going Global

If you decide to do business with another country, the Massachusetts Export Resource Center, in collaboration with the Massachusetts Office of International Trade and Investment, provide information regarding export planning, international trade and compliance, and can assist you with your plan for international development. Grants are provided to small businesses seeking to increase exports through the Massachusetts State Trade Expansion Program (STEP).

VI. Resources

There are many organizations in Massachusetts that provide assistance with business development. They include the following:

- Massachusetts Office of Business Development
- Massachusetts Small Business Development Center Network
- MassDevelopment
- Massachusetts Growth Capital Corporation
- MassVentures
- MassEcon
- Small Business Development Centers (located in various regions across the state)
- Small Business Administration (SBA) Boston District Office
- SCORE Boston
- NFIB Massachusetts
- Entrepreneurship for All (EforAll)

⁷ https://www.sba.gov/sites/default/files/advocacy/Massachusetts_1.pdf

VII. Summary

Creating a new business is a big responsibility that takes time, money, and good planning. Before beginning your new business, consider whether there is a need and market for your product or service and how you will differentiate yourself from the competition. There are a lot of uncertainties, as well as risks, surrounding the launch of a new business so it is important that you plan ahead. A well thought-out business plan will lay the foundation of your new business and should include the following and answer questions such as:

- Description of the business
 - Including the name, managers, address, business structure, type of business
- Financing
 - How will you be financing your new business?
- Market
 - What type of product or service will you be offering? How will it be priced? Who will be the customers?
- Competition
 - Who are your main competitors and how does their product or service compare to yours?
- Suppliers
 - Who will supply your necessary materials or equipment? How will your suppliers be compensated?
- Location
 - Where will your business be located? Will you be leasing or purchasing the property? Are renovations required? Are there any zoning restrictions?
- Management & Personnel
 - Who will be running your business? How much will you be paying your employees? What benefits will you be offering?