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How to Organize and Run a Small Business

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Course Description

This course is a primer for aspiring small business owners and entrepreneurs. The course explores step-by-step procedures necessary to set up and manage a small business. Topics include the development of the business plan, market entry strategies, organization and management, financing, Internet marketing, and software, and critical factors for small business owners and entrepreneurs.

Field of Study	Accounting
Level of Knowledge	Basic
Prerequisite	Basic Math
Advanced Preparation	None

Table of Contents

Section 1: Getting Started	1
Learning Objectives:.....	1
Introduction	1
Buying an Existing Business	3
Determining How Much to Pay for the Business	5
Get Started.....	7
Business Location.....	8
Developing a Business Plan.....	9
Components of the Business Plan.....	11
Section 2: Debt and Equity Financing.....	17
Learning Objectives:.....	17
Financing Options and Strategies for the Small Business	17
Debt Financing	20
Establishing Good Business Credit Rating.....	23
Small Business Administration.....	24
Equity Financing.....	25
Leasing Instead of Purchasing.....	27
Section 3: Managing Financial Assets	30
Learning Objectives:.....	30
Working Capital.....	30
Cash Management	31
Inventory Management and Control	33
Credit and Collection Policy	36
Section 4: Legal Considerations	42

Learning Objectives:.....	42
Deciding upon a Legal Structure for the Business	42
Legal Contracts.....	44
Business Licenses	44
Obtaining a Patent, Trademark, or Copyright.....	45
Protecting Against Criminal Acts.....	47
Section 5: Accounting, Cost, and Financial Analysis.....	53
Learning Objectives:.....	53
Internal Controls	53
Accounting Records	55
Financial Statements.....	58
Financial Statement Analysis	60
Budgeting	63
Costs of a Business	65
Cost Analysis	68
Are You Breakeven?.....	70
Choosing the Fiscal Year	72
Section 6: Taxes.....	77
Learning Objectives:.....	77
Individual and Partnership Taxes.....	77
Corporate Taxes	78
Subchapter S Corporation and Limited Liability Corporation	80
Payroll Recordkeeping and Taxes	81
Sales and Excise Taxes and Tax on Small-Business Equipment	82
Section 7: Power Marketing.....	86

Learning Objectives:.....	86
Marketing Research and Planning	86
Product Introduction.....	88
Advertising, Internet Marketing, Networking and Social Media Marketing.....	90
Sales Force	93
Pricing.....	94
Packaging	97
Trade Shows.....	98
Section 8: Operations.....	100
Learning Objectives:.....	100
Managing the Business	100
Insurance.....	102
Important Records	107
Computerizing the Small Business	108
Section 9: Managing Human Resources.....	112
Learning Objectives:.....	112
The Recruitment Process	112
Management of Employees	114
Section 10: Types of Businesses	117
Learning Objectives:.....	117
Opening a Franchise.....	117
Service Business	119
The Retail Store Business.....	119
The Wholesale Business.....	121
Mail-Order Business and Internet Ordering	122

Appendix	126
Internet Information Resources.....	126
Where to Get Marketing Help	127
Glossary.....	139
Review Question Answers	148

Facts for Small Businesses

Steps to start a business

1. Your county's Recorder's office and file for a fictitious business name. Note: It is not required if business is conducted under the owner's name, but many banks won't open a business account without it.
2. Open a business bank account. Owners should not mingle business and personal funds.
3. Determine business ownership and set up a corporation, limited liability company (LLC), or limited liability partnership (LLP) with your state's Secretary of State. Note: You must create corporation, LLC, or LLP (other than a single proprietorship) before filing a fictitious business name.
4. Apply for a tax identification number or an employer ID number from the IRS. Note: You can use the owner's SS number if there are no other employees.
5. Check to see if your city requires a business license. Note: 1. Home-based businesses may need a home occupancy permit instead of or in addition to a business license. 2. Different types of businesses require different permits and considerations. For example, if you are retailer, obtain seller's permit from the State Board of Equalization, which allows the owner to purchase inventory without paying sales tax. For details, check your county's Web site.
6. Purchase workers compensation insurance and unemployment and disability insurance, if your business has even one employee.
7. Investigate if your business needs an occupancy permit from your city.
8. Determine if your business space is up to current building code. Note: Changes could include making the business accessible to the disabled, re-enforcement for building safety, and asbestos removal.
9. Track equipment purchase to report to the County Assessor to pay personal property tax.
10. Install alarm system for insurance purposes.

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