

THE ULTIMATE GUIDE TO STARTING A BUSINESS

By Motiva Business Law, Oak Brook, Illinois

Congratulations. You have made the decision to embark on the journey of being a business owner. We put together this resource to help you get started on the right foot so you can focus on achieving your goals. This resource will go over the key parts of every business that needs attention to be successful: Legal, financial, planning, operations (technology), marketing, sales, production, people, physical plan, financial controls, and you as the owner



Legal

Legal entities like limited liability companies (LLCs) and corporations are great ways to protect your personal assets from your business liabilities. They also are a great way to give your business “street cred.”

So where to start? You can register your business with the Illinois Secretary of State below.

Here, I explain the difference between a corporation or LLC? <https://youtu.be/7l6B1M9yKHI>

➤ Corporations:

- Corporations are great when you want to separate the investors from those who run the company.
- Owners of corporations are called “shareholders.” Corporate shareholder-ship is not designed to put the power with the shareholders. Instead, those who have the real power are the officers and board of directors.
- Shareholders CAN be both shareholders and officers and board of directors. However, when all shareholders are officers and board of directors, this can be

cumbersome and an LLC may be more suitable. Corporations can only be taxed as s-corps or c-corps.

- You can register your corporation here: https://www.ilsos.gov/departments/business_services/incorporation/corp_instructions.html

➤ **Limited Liability Companies (LLCs)**

- LLC owners are called “members.” LLCs are better for smaller companies that are run by solopreneurs or a smaller group of people, especially in a partnership style type management. LLCs are also incredibly flexible and can be set up for larger management styles or partnerships. They also have more tax options.
- You can register your LLC here: https://www.ilsos.gov/departments/business_services/organization/llc_instructions.html
- In this video, I explain here how to register LLCs: <https://youtu.be/thCjaunhi0E>

Money

Now that you have a corporation or an LLC, you will need to get some money for your business. To open a business bank account, you will need a federal tax ID number (EIN). It is quicky, easy, and free. Below are more resources on getting the “money” part of your business sorted.

- EIN: <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
- Illinois State Tax/Reg-1 Form:
 - When you open a business, you also need to registered with the Illinois Department of Revenue, which you can do so here: <https://tax.illinois.gov/content/dam/soi/en/web/tax/forms/reg/documents/reg-1.pdf>
- Financing your business:
 - Cash: One way you to start or buy a business is paying cash. You can pay from your savings.
 - Bank loan: You can also go to a bank to borrow money. The United States Small Business Administration (SBA) also has a program where business owners can get business loans. You can go to their website to learn more about SBA loans. <https://www.sba.gov/funding-programs/loans>
 - Seller-financed: If you are buying a business specifically, and can’t get a loan or have a good relationship with the seller, you can
 - Earn-out agreements: If you’re buying the business and having difficulty getting financing, earn-out agreements are an option too. The buyer and seller agree on a price that is based on the business’ profitability after the sale. You can learn more about [earn-out agreements here](#).

- Tax management:
 - Do not forget we all have a secret silent partner in our businesses named Uncle Sam, so it is important to manage your revenue for taxes. We favor a model called [Profit First](#). In sum, you open multiple bank accounts, including a bank account where you stow away tax money throughout the year so you are prepared to when your tax bill comes.

Business Plan

Having a business plan is essential to the growth of your business. At Motiva Business Law, we have a free business plan cheat sheet that we can send you. Simply email frontdesk@motivalaw.com with the subject “business plan” and we’ll email it to you.

In the meantime, a business plan starts with the life you want to live, how much money you will need to make that money, and you work backwards to calculate how much business you need to bring in.

Mental Health/Avoiding Burnout

Being an entrepreneur is hard. Like *really* hard. You will be constantly pushing your limits, having to learn many new skills and wear many hats. Many business owners make mistakes that make them burn out and quit. Here are some tips:

- Delegate
 - Even if you are still on your own, there are many resources to outsource smaller tasks. Check out websites like [upwork.com](https://www.upwork.com), [fiverr.com](https://www.fiverr.com), and [taskrabbit.com](https://www.taskrabbit.com).
- Boundaries
 - Don’t be afraid to set boundaries with your clients. It may seem tempting to do whatever you can to “chase” business, but remember that you need to take breaks and not let clients wear you down.
- Mindset coach
 - There are many coaches who specialize in working with entrepreneurs. Being an entrepreneur forces you to face your insecurities, past traumas, and other demands that hold you back from your dreams. For a referral, email us to frontdesk@motivalaw.com and ask for a referral.

Need help with starting or buying and selling a business? Call us to (630) 517-5529 or email frontdesk@motivalaw.com. Learn more about our law firm at <https://www.MotivaLaw.com>.