

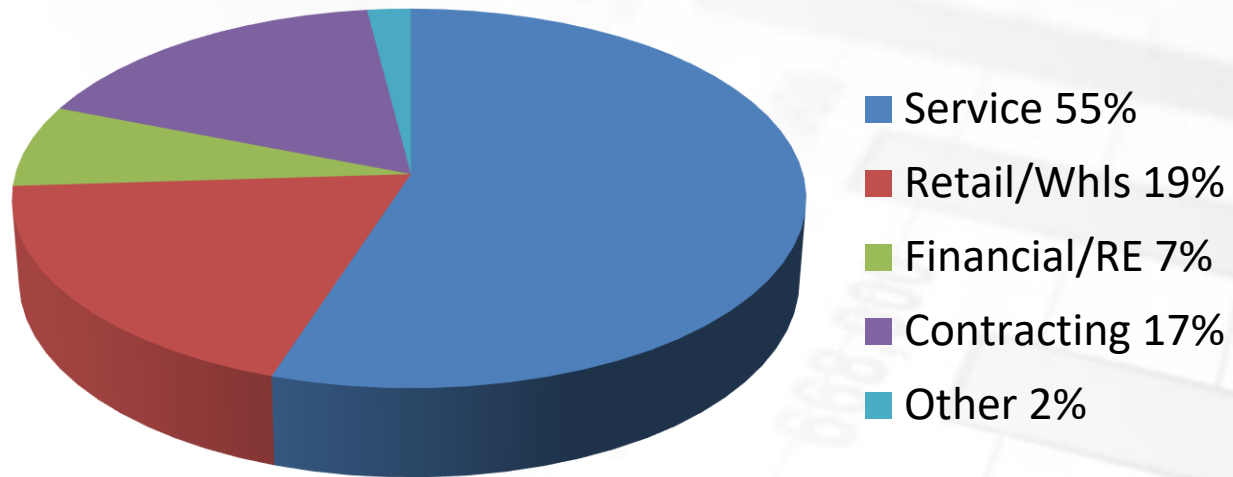


*Starting a*  
**Home Based Business**

**SCORE** 

# Home Based Businesses

**Estimates – 18 to 30 Million**



# Why a Home Based Business ?

- **Low startup costs**
- **Cost savings**  
(Rent, Commuting, Clothing)
- **Flexible Lifestyle**

# What to Consider

- **Working Alone**  
No Comradery
- **Lack of Support**  
No one to turn to.
- **Time Management**  
Requires Discipline and Focus

# What to Consider

- **Family and Friends**
  - **Limit Interruptions**
  - **Set Expectations**
  - **Secure Support**

# Business or Employee

## IRS Filing Determination

**Employee Working from Home**

**Independent Contractor**

<http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Independent-Contractor-Defined>

# Business or Hobby?

## IRS Filing Determination

*Ability to Deduct losses*

**Business Like Activities**

**Past Experience**

**Reliance on Income**

**Profit – 3 out of 5 years**

## **Beware of Scams !**

# **There are no Guarantees !**

**Do your research  
Check for references**

### **Watch out for:**

**Paid startup kit**

**No job description**

**Large earnings claim**

**No resume required**



# Determine Business Type

**Sole Proprietorship**

**Limited Liability Company LLC-LLP**

**Partnership**

**Corporation**

**S Corporation (Filing)**

# Licensing/Taxes

- **State Business License**
- **Local Permits (health/occupation)**
- **Zoning/Homeowners Association**
- **Tax registration**
- **Employers Requirements**

# **Cottage Food Operations**

## **July 2011 69.22 RCW**

**Maximum Gross Sales \$25,000 Annually**

**Must be sold direct to consumer**  
**No mail order/ Internet**

**May not contain cannabis**

## Write a Business Plan

- **One Page Plan (Canvas)**
- **Classic Business Plan**  
Need for Financing

## The One Page Business Plan

# The “LEAN” Canvas

# Lean Canvas

Project Name

01-Jan-2016

Iteration #x

Problem Top 3 problems	Solution Top 3 features	Unique Value Proposition Single, clear, compelling message that states why you are different and worth paying attention	Unfair Advantage Can't be easily copied or bought	Customer Segments Target customers
	Key Metrics Key activities you measure		Channels Path to customers	
Existing Alternative				Early Adopters
Cost Structure Customer Acquisition costs Distribution costs Hosting People, etc.			Revenue Streams Revenue Model Life Time Value Revenue Gross Margin	

PRODUCT

MARKET

# Write the Classic Business Plan

- **Company Description**
- **Industry Research**
- **Target Market**
- **Competition**
- **Marketing Plan**
- **Operations/Technology**
- **Financial Projections**

# Write a Business Plan

## Financial Projections to be Included

- **Startup Costs**
- **12 Month Sales forecast**
- **12 Month Profit and Loss**
- **12 Month cash flow projection**
- **Opening Balance Sheet**



## Secure Financing

- **Personal Savings/Leverage Assets**
- **Family/Friends**
- **Bank Loan (SBA)**
- **Crowdfunding**
- **Micro Loan (> \$35K)**
- **Angel Investor**

## Financial Controls

- Set Up Business Banking
- Select Bookkeeping Method
- Engage an Accountant if Needed

## Secure Necessary Insurance Coverage

- **Liability (Business - Product)**
- **Property (Fixed – Inventory)**
- **Vehicle**
- **Business Interruption**

# Write a Business Plan

## Get Help Starting Your Business

### **SCORE Business Plan Templates**

<https://www.score.org/resources/business-plan-template-startup-business>

The written business plan “Word”  
All necessary financial worksheets “Excel”

Contact a **SCORE** Mentor  
In Person/ Online

# Lets Wrap Up

**Questions?**  
or  
**Comments!**

# Achieve Your Goal

