

Tips & Advice For Starting A Small Business

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4/17/25

If you're thinking of going into business so you can make a ton of money, not have to work, and not have to answer to anyone. . . don't do it! Get a government job instead.

If you see a need or a want, and you think you can meet that need or provide a solution significantly better than your competitors at a fair market price and still make a reasonable profit; and if you're willing to work really really hard to build a team of people who share your vision and enjoy working with you, you might want to consider going into business! Here's a few tips & things to think about to help you get started.

Choosing The Right Products & Services:

- ☐ Does the cook eat his own food?- Pick something you like, you're good at, & are passionate about.
- ☐ Industry (health, beauty, food, medical, home/yard, financial, travel/tourism, shipping, insurance, real estate)
- ☐ Repeat Income (consumable, subscription, membership, ongoing service,
- ☐ Leverage: I would rather earn 1% off a 100 people's efforts than 100% of my own efforts. John D Rockefeller.
- ☐ Financial- Startup Costs – Barriers of Entry - Operating Costs
- ☐ Supply & Demand - Evaluation Competition
- ☐ Special Sauce- (What is your niche' - how can you "Differentiate" from competition – Service & Price!)
- ☐ Profitability – What is my NUT (break even point after all fixed expenses)?
- ☐ Location, Timing, Demand
- ☐ Risks & Liabilities

Setting Up Your Company

- ☐ Choose a business name.
 - ▶ Make sure the business name is not already being used in Utah – <https://corporations.utah.gov/searches/>
 - ▶ Make sure the name is not already trademarked in US – <https://www.uspto.gov/trademarks/search>
 - ▶ Find and register a domain name that works with it – <https://www.godaddy.com/> \$15/year
 - ▶ Decide what email address you want to use for your business
- ☐ Create a legal entity & register the business with the State (Get a Tax ID#).
 - ▶ Register business with the state: <https://corporations.utah.gov/online-registration-instructions/>
 - ▶ Create a Utah ID – <https://businessregistration.utah.gov/>
 - ▶ Get a Certificate of Organization - \$59 for LLC (Limited Liability Company)
 - ▶ Get an IN (Employer Identification Number) Tax ID# used for filing taxes (Free)
- ☐ If you sell products, register a Utah Sales Tax License TC-69 – [https://tap.tax.utah.gov/TaxExpress/ /#1](https://tap.tax.utah.gov/TaxExpress/#1)
- ☐ Create a US Trademark, Service mark, copyrights – <https://trademarkcenter.uspto.gov/> \$350
- ☐ Consider a state trademark: <https://corporations.utah.gov/business-entities/trademark/> \$50-\$75
- ☐ Get a city business license <https://www4.citizenserve.com/Portal/PortalController> \$72/year in St. George

Partnership Agreement (seek legal advice) – silent partners vs. active partners

- ☐ Term & termination (holding period, and how the agreement can be terminated by either party)
- ☐ Ownership (percentages)
- ☐ Buyout & Sell options for both partners (include what to do with profit or loss from sale).
- ☐ Control (who has the final say on decision - how are decisions made)
- ☐ Identify ownership of assets, debts, bank accounts, and liabilities.
- ☐ Contributions (Time & Money) of all partners
- ☐ Compensation to partners for working.
- ☐ What to do with profits/losses from business.
- ☐ Liabilities, risks & guarantees
- ☐ Game-plan/Rules – Win Win or Not At All
- ☐ Personal commitment to each other for a certain amount of time.

Employees/Contractors

- ☐ How to find good ones
- ☐ How to keep them happy
- ☐ How to make them productive!
- ☐ Benefits & retirement
- ☐ Payroll Services

Customers/Clients

- ☐ Finding Customers
- ☐ Customer Satisfaction
- ☐ Keeping Customers - repeat business
- ☐ Managing "Moments of Truth" (moments of impact with customer where perceptions are created).
 - marketing piece, 1st call, followup email, thank you note, they get their bill, they have a problem.
 - CRMs & digital marketing
- ☐ The Sizzle Sells the Steak. – Customers will pay more when they smell it, and they're super hungry.

Financing

- ☐ Startup Costs
- ☐ Operational Costs (Fixed & Variable Expenses)
- ☐ Budget
- ☐ Cashflow
- ☐ Financial Reports (Balance Sheet, P&L, Budget, Cashflow, Income projections, business valuation)
- ☐ Debt/Loans (owner investment, partners, investors, mortgage HELOC, credit cards, loan sharks, pawn shops)
 - <https://www.sba.gov/district/utah>
- ☐ Book-keeping, payroll, & taxes

Business & Marketing Plan

- ☐ Mission Statement (Concise and clear statement(s) stating your purpose, core values, and customer focus)
- ☐ Marketing Materials
 - Create a Logo (Vector)x
 - Website
 - Print material (brochures, post-cards, flyers)
- ☐ Clear overview of the 4 P's
 - Product (features, benefits, advantages) "Differentiation"
 - Price (Competitive: Not too high - not too low)
 - Promotion
 - Place (P-Distribution)
- ☐ Executive summary
- ☐ Market analysis (supply, demand, competition)
- ☐ SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats)
- ☐ Target market identification
- ☐ Marketing objectives
- ☐ Assessing Risk - Insurance - Legal Advice
- ☐ Marketing strategies
- ☐ Marketing Campaign (breakout of advertising, promotion, sales, time-line & budget)
 - Direct Sales
 - Direct Mail
 - Email Marketing
 - Social Media Marketing
 - Publications
 - Print

Other Business Concepts & Ideas:

- ☐ Personal Principles of Success - visit: www.RedRockYSA.com
 - Values, goals, plans, affirmations, rejecting excuses, working smart & hard, being persistent.
- ☐ Customer Comes First. – Give the customer what they want + a little more.
- ☐ Perception is Realty. – Creating perceived value is as important as actual value.
- ☐ Customer Perspective: What's in it for me? Answer that question & they'll buy.
- ☐ Money: TMV=Time Value of Money, OPM= Other People's Money
- ☐ Marketing & Sales (Keep the pipeline flowing!)
- ☐ Sharpen the saw
- ☐ Take time to smell the roses!
- ☐ How to value a business. Formula: $(NIRV) NI = R \cdot V$ (Example: $100k = 10\% \times 1\text{Million}$)
 - Value of a business ($V = R \div NI$) Value= \$1,000,000
 - Return on investment or ROI ($R = NI \div V$) Rate = 10%

Character: The ability to carry out a worthy decision after the emotion of making that decision has past!

Integrity: Doing what's right - even when noone is watching or noone will find out.

Trustworthy: Someone who always does what they say they are going to do.

Success: A successful person is willing to do that which the unsuccessful person is not!