



Thank you for subscribing to my newsletter. And welcome to the family. We're here to help you get started on finally building the wealth you've dreamed of having with your own home-based business.

This is your special report "The Business Basics: Critical Things You Need to Know When Starting Your First Business."

Before we get started let me just take a moment to introduce myself. So you'll know why you should even listen to me, let alone use my advice.

My name is Pam Hamilton, also known as the Home-Biz Coach...I help ordinary people achieve extraordinary results with their own home based business. Together we create a business that lets you build wealth, not just make a living.

Let me say that last part again, you will create a business that lets you build wealth, reduce your taxes and protect your assets, not just allow you to eke out a living.

I am an attorney by profession. In fact I've been practicing law for nearly 14 years and I have spent years and years getting to know business structures and how to use them to the best financial advantage... and I've personally helped numerous small business owners and real estate investors get started on the road to wealth.

Now, I have always been an entrepreneur at heart and dreamed of owning my own business. I inherited that desire from my parents. So I was always starting little businesses, even as a kid, though not always successfully.

Two of my jobs helped me move closer to my goal of actually having my own business. I worked on the Staff of the General Counsel at the NYC Department of Consumer Affairs; and later I served as General Counsel and

Administrative Director at a private company. In both situations I had the opportunity to meet and talk with many different business owners of various sizes and at various stages of development about their businesses. Now, let's face it, all kinds of people start their own business, for different reasons. And what I noticed is that while some of these folks just scraped by barely making a living, others used their home-based or other small business to truly create wealth and protect their assets, while paying minimal taxes. In fact, I remember one time speaking with a contractor about doing some work for a charity I was involved with; in exchange the charity would give him a receipt for his donation that he could then use as a tax write-off. He said, "Let me call my accountant."

We got on the phone with his accountant and the accountant said, "I don't know what he would do with that, he doesn't actually owe any taxes generally, there's nothing for him to apply it to."

He literally couldn't use the write-off. This is a guy who drove around in a Mercedes, traveled around the world and was never lacking for money.

The contractor was by the way also a really nice guy. He did the work for free. He even paid for the materials because he believed in the work the organization was doing.

The point I want to make is that I have seen people in the same industry, in the same city, with the same amount of expertise start their business at the same time and yet one can have a much more successful thriving business, live in a better home, have finer clothes, drive nicer cars and *legally* pay less tax than the other.

At first it was a mystery to me; how could this happen? Like you, I wanted to know how this was and figure out how to make sure I was on the winning side of that equation.

I Discovered The Secret After I Left My Job As Corporate Counsel. I unlocked the mystery of the true wealth building power of having your own business. And more importantly, during the course of our time together . . . I'm not only going to share that information with you, I'm going to show you how to make it work in your business.

You see when I first left my job as Corporate Counsel, I decided to go out on my own and I set up my own practice. Just like that I was self-employed. It was not the right move.....while I was now self-employed, that still meant I was an *employee*, a basic wage earner except without benefits and company paid medical insurance, so I still had to pay the bulk of my income to the government, leaving me struggling to pay my medical bills and trying to make ends meet.

I knew something had to give, I also knew I couldn't work any harder. Then it hit me; why not put the power of the internet and what I knew about business structures to work for me in a home-based business. And that made all the difference.

You see, not everyone understands this distinction but the truth is being Self-Employed Is Not the Same As Having A Business!

In fact Most Internet "Business Opportunities" Aren't Really Business Opportunities At All; Because Many Internet "Gurus" Don't Have a Business or Know How to Build One, and are simply focused on making chunks of cash.

That's why I have created a special report on this exact subject "How to Start Your Own Business to Build Wealth, Reduce Taxes and Protect Your Assets." It's a \$27.00 value, but as a subscriber you can get it for \$7.00, (that's right seven dollars).

In My Special Report You'll Discover:

- Over Twenty-Five Tax deductions you can use right now to stop working half of every year for Uncle Sam;
- The two business structures that you should avoid at all costs;
- The key steps to using your home-based business to build wealth, reduce taxes & protect your assets so you can afford to retire before you die;

- The best entity for holding real estate and how to manage the dreaded dealer classification

And Much More...

You can go to <http://www.Build-A-Biz.com/report.html> to grab your copy now.

Creating a wealth building business is not as hard as it seems once you understand the principals behind making that happen and have established a solid foundation to build upon.

Your FREE Audio Class will cover the key principals; this report will help you with the basics.

Starting a small business, one that will be successful at any rate, requires determination, motivation, know-how, and taking a few key steps to get started right.

Step 1. Identify Your Business Opportunity: This might seem like I'm pointing out the blindingly obvious, however, choosing what kind of business to start is crucial to every other decision you will make as you prepare for start-up and ultimately even to how successful your business is.

Here's why I say that... It's important to determine where your passions lie and to understand your personality type. Building a business, especially from the ground up will take some time and effort on your part. It will be a lot easier for you to make a successful go of your start-up venture if you enjoy the business you're in or at least have a reasonable interest in it.

In addition, once you think you have found the one business opportunity that will bring you financial freedom, and the lifestyle you desire...You need to make sure it meet the basic rules for potential success.

1. Is there a market for your product or service? By market, just to be clear, I mean is there a large group of people that have a demonstrated need or interest in the type of product or service you are selling and are they willing and capable of spending money on the product or service.

If you are venturing into a totally new area where you have maybe invented a product that never existed before but you think a certain market would be interested in it ---don't guess "beta test" in other words, get your product in the hands of users early for as much feedback as possible so you can tweak the product as needed and determine if there really is a market for it or not.

2. Can you compete in the market effectively? Now what do I mean by that? Well, first off who are your direct and indirect competitors in the market place? Are there tons & tons of them, just a few, somewhere in the middle? Will you be able to make your product stand out among them?

Here's an example - say you wanted to own an electronics store...There is a whole ton of competition both on & offline for you to compete with, plus...a number of your competitors would be big name chains with huge advertising budgets & marketing clout that you may not be able to match as a start-up.

Does that mean you give-up on the idea of an electronics store, if electronics are your passion? Not necessarily, but it does mean you need to seriously refine & define your niche in that marketplace that you can target and compete for effectively.

For example perhaps...you can target stereo fanatics looking for the ultimate experience in music and focus exclusively on high-end stereo equipment & accessories, or deal exclusively in audio equipment & accessories for the serious musician or the entertainment industry or...you get the idea.

Make sure you can target a niche within the marketplace where you can compete effectively for the available dollars.

3. Will you be able to raise the capital needed for start-up & initial operations and can your business opportunity justify the expense?

In other words, if your business idea will cost \$5Million to get it off the ground and you have lousy credit, no savings, no assets, no prior business experience, no contacts and you're hoping Aunt Suzy & a few other relatives will pitch in to help you get started you may seriously want to think again.

You also need to make sure that whatever your business start-up costs are, that the business you're building will be able to breakeven within a reasonable time period.

Don't let money be the determining factor for achieving your dreams; many multi-million & even billion dollar empires were built on basically hope, air & the persistence of their founder's. Just be realistic about how you're going to get there.

4. Do you have the necessary skill set for your desired business? Be wary of opportunities that claim they do everything for you and you don't need to know anything. The more familiar you are with your type of business the easier it will be for you to succeed. Again, this is not meant to discourage you. If your dream is to go into running a model railroad shop because you've always loved model railroads, don't let not having any experience in running a shop or building model railroads etc., stop you from achieving your goal. Just *GO LEARN* what's involved in running a shop and building model railroads. You'll find out if it's really what you want to do and you'll gain the necessary skill set to make it happen. At a very minimum start your business with someone who can bring the skills you lack.

5. If you will need to bring in employees to make the business work successfully, is your business located in an area where you will be able to attract & retain quality workers?

6. Look at the long-term potential for your business . . . what's on the horizon for your industry? Are you creating a business where your primary product or service can, (and most likely will), be replaced by some form of technology, or made obsolete by impending government regulations or even changes in social use?

For example, now would not be a good time to open a store that sold used analog television sets, parts & repair services, your business would be obsolete in short order due to impending legislation that will require all TV signals to be broadcast digitally. Even if you were thinking to open a shop selling converters it would not be long-term because manufacturers will no longer make analog TVs, because people wouldn't buy them, so societal use would make your product obsolete.

7. Can your product, service or brand be protected? Are there exclusive contracts, trademarks, licensing agreements, copyrights, patents, exclusive territorial rights or other means that you can put in place to protect your business brand & market share?

If your opportunity meets these tests you're ready to rock & roll. . . If not you need to tweak & refine it until it does, or even go back to the drawing board if necessary.

Step 2. Name Your Business: What's in a business name? Everything and nothing at all because, the right marketing plan can make almost any business successful regardless of its name... So why bring it up? The right business name will help propel you to success by distinguishing you from your competitors, it can provide your customers with a reason to hire you, and aid in the branding of your company. The wrong name can limit your businesses growth and opportunities, label you as small time and even affect the type of fees you can successfully charge your customers.

For example: If you went to a retailer called International Premier Papers & Writing Instruments – you would expect they would have a large selection of high quality papers from around the world and High Quality Pens too, all probably priced at top of the line prices... And if you wanted their products you'd pay it. But, if you were at say - Joe's office supplies – to get paper you would expect to get a decent quality paper and maybe a box of ballpoint pens for a much lower cost, even if Joe's had the exact same paper and pens as the other store, you wouldn't be willing to pay the same price...in fact you'd probably think Joe had lost his mind or was trying to rip you off.

Here are some things to think about when choosing your company name.

1. Take Naming Your Company and its products or services seriously. As stated above the name you choose can play a major part in your businesses success or failure.

2. Don't play word games or try overly hard to be cute. These tactics can seriously backfire. People need to be able to hear or see your name and be able to remember it, spell it & look it up easily. And not be turned off by it.

I once saw a place called "Chirpin chickens" the logo on their sign featured a banner with cute yellow chicks running around. They claimed to have

both take-out & eat-in service. The place sold fried chicken. Would you go in there to eat some chicken? Do you think you could take your kids in there?

3. Nowadays, because of the success of companies like “Google,” “Yahoo,” and “Amazon” to name a few, people are often tempted to name their company some sort of nonsense made up name that has nothing to do with anything. Don’t.

All of these types of companies that make it successfully have several things in common that you most likely do not. . . Huge marketing budgets thanks to venture capital money and the ability to operate their businesses for long periods of time with very little profit or even at a loss until their message & brand have sufficiently saturated the market place to begin earning a profit. If you are not in that position, name your business something that tells us about your business.

4. If you’re a little start-up operating out of your home or a little store front avoid naming yourself anything too big sounding like global or international if you will be actually dealing with customers face to face. Even if your dream is to one day actually be global start out by focusing on a niche, something you can be the expert in and build your success from there. Specialist can charge more and you will be more believable to your customers since your image & name will work together.

5. Don’t use other companies’ names, especially famous ones. Most large companies spend a ton of money branding their company name and they also spend a lot to protect it; they will sue you for trademark or copyright infringement. And, the sad reality is, even if you ultimately win the court battle the legal costs could destroy your business.

6. Don’t limit yourself to your local area. Even if you start out, or always plan to stay local refrain from naming yourself that way. I say this for two reasons. First it helps you stand out from local competition and second when you are ready to pass your business to the next generation or sell it and retire you’ll have more success if you’ve left the option open for the next owner to expand the business to a larger geographic area.

7. Be web friendly. Everyone searches the internet for everything these days... make sure they can find you. Use a name that you can also use on the web if at all possible.

8. Make sure the name you want is available in the state or states you plan to do business as well as on the internet.

9. Above all else your business name should be user friendly, easy to remember and memorable.

Step 3. Check zoning requirements: This is extremely important, when you are planning a home-based business. You want to make sure that you can actually operate the business you plan on starting from your home legally and without violating any zoning regulations for your area.

You should do this before you get too far in the business development process because your options are limited if your business will violate city zoning laws. The options are that you can move, you can operate from a leased location, you can apply for a variance to allow you to run your business anyway, or you can choose a different business which of course, is often the easiest & least expensive route.

Step 4. Prepare A Business & Marketing Plan: I can almost hear the groans and objections:

“Leave it to an attorney to make this harder than it has to be...”

“Why do I need a business plan I’m not trying to raise a bunch of venture capital money, it’s just me, in my house...”

And on & on it goes. . . Yes, if you’re trying to get a loan or attract venture capitalists you most certainly need to write a detailed business & marketing plan to have any kind of success. But you already know that :)

However, even if you’re just setting up a home-based business that will be operated by you and your dog scruffy, you need a business plan. Now, let me explain why I say that. . .

Business plans do more than serve as a means of attracting external funds. It acts as a guide for your business, the rudder on your ship if you will. Your

combined business & marketing plan defines the - who, what, where, when & how of your business. A good business plan clearly outlines the goals of the business, explain the operating procedures, who the competition is and how you will be different. Your marketing plan will show what your U.S.P is and how you intend to reach your targeted market with your message. U.S.P stands for Your Unique Selling Proposition. It's what makes you stand out from your competitors and we'll be talking a lot more about it in your membership materials.

A very large percentage of start-ups fail in their first year, even less survive for the first 5 years. That's hard news to hear while you're trying to start a business. But here is the thing; of those that survive the vast majority of them have a business plan in place. All of those that failed, did not . . . so do I need to point out the obvious pattern?

Napoleon Hill, the famous motivational speaker & author of "Think & Grow Rich"

Says this:

"Definiteness of Purpose is the starting point of all achievement. Don't be like a ship at sea without a rudder, powerless and directionless. Decide what you want, find out how to get it, and then take daily action toward achieving your goal. You will get exactly and only what you ask and work for. Make up your mind today what it is you want and then start today to go after it! Do it now!

Successful people move on their own initiative, but they know where they're going before they start."

Your business & marketing plan is your map to where you're going. It doesn't have to be fancy; you can write it in crayon. It doesn't have to be complicated just clear enough for you to understand. Whatever you do, just put it on paper and use it to get where you're going. If you need help with your business and marketing plan you can find free samples at <http://www.Build-A-Biz.com/bplans>.

Step 5. Form Your Business Entity: Now, again, I know some of you are thinking “It’s just me,” or “It’s just me & my friend Johnny” or “I can’t afford to incorporate.” The truth is you can’t afford not to. Forming a business as a corporation, LLC or LP helps to protect the owners' personal assets from the debts and liabilities of the business. There are also other advantages of forming a corporation or LLC, including certain tax advantages and establishing credibility for your new business with potential customers, vendor, employees, and partners. Please, if you’re thinking about operating your business unprotected read my article: “Using These Structures Can Destroy Your Wealth”. You can find the article on the Business Start-Up Blog <http://build-a-biz.com/blog/2008/03/04/using-these-business-structures-can-destroy-your-wealth/>

When forming a business, use a professional such as a lawyer or online service that is affiliated with a lawyer who has experience creating legal entities. Avoid the discount service providers who may not be able to provide you with the right structure answer your questions or give you the services you really need. In addition working with a good lawyer now will make your life much easier as you go through the various stages of building your business. Build-A-Biz Corporate Services can help you form your entity right so that you can operate your business effectively and refer you to a competent attorney that is familiar with the unique business situations faced by home-based business owners. Build-A-Biz Corporate Services is at <http://www.build-a-biz.com/corp-it>

If you’re still not sure whether you should form a proper business entity check out my special report: "How to Start Your Own Business to Build Wealth, Reduce Taxes and Protect Your Assets," to see the full benefits of using proper entity structures. <http://www.build-a-biz.com/report.html>

Step 6. Obtain A Federal Tax Id Number: (Also called employer identification number or EIN) for your business from the Internal Revenue Service (IRS). The EIN is basically a social security number for your business. It will be required to open a bank account in your business name, for hiring employees and for all tax related matters concerning your business. Some states will also require you to have a state tax id number.

Check with your state's taxation department to see if you need a separate state number, or if the federal EIN is sufficient.

Step 7. Open A Business Bank Account: It is absolutely critical for your business finances to be separate from your personal finances. Commingling funds is one of the quickest ways to go out of business and/or have your corporate protections destroyed.

Banks will typically require a copy of articles of incorporation/organization, or limited partnership agreement, the state filing receipt for your entity's formation & your business tax id number. Some banks will also want you to provide a resolution from the corporation's board of directors or LLC managers and/or your corporate seal. It's always a good idea to call the bank you're planning to open the account at ahead of time to see what they require for business accounts so you'll have everything you need with you when you go to open the account. Then open your account & fund your business start-up.

Step 8. Get A Merchant Account: You will need to accept credit cards in order to convert as many of your potential clients into customers as possible. You can find referrals for some traditional & online merchant accounts at our resource page. <http://www.build-a-biz.com/resources.php>

Step 9. Obtain Business Insurance: You should obtain insurance for your business as soon as you can. Some industries have specific insurance requirements, if this is the case with your business, you will need to make sure you have the funds to obtain it as part of your start-up budget. Since you will be operating this business out of your home you should also make a point to discuss this with your insurance agent. This is important because many homeowner policies don't cover your business operations. This is particularly true if you have clients/customers that come to your home as a routine part of your business.

Step 10. Obtain the necessary business licenses and/or permits: Make sure you have checked thoroughly to determine what licenses and/or permits you will need in order to begin operations. Fines can be pretty stiff

if you are found to be operating without a license/permit where required. It can even get your business shut down. Licenses/permits may be required for your city, your municipality, your county and/or your state. It is best to contact both your Secretary of State to check on business license requirements for your particular type of business and industry, and also to contact your local government agency in charge of licensing to learn their requirements and how to obtain the necessary licenses.

Step 11. Make sure you are aware of and meeting all other insurance & government requirements: As a business owner you will have a number of varying government and insurance requirements that your business has to meet in addition to obtaining any required licenses & permits. I have listed some of them below, but the list is not exhaustive. Visit the resource page at Build-A-Biz.com for links to these government agencies to get more information about your businesses' obligations.

- Unemployment insurance
- Workers' compensation
- OSHA requirements
- Federal tax
- State and local tax
- Self-employment tax
- Payroll tax requirements (such as FICA, federal unemployment tax, and state unemployment tax)
- Sales and use tax

Step 12. Set up your business accounting system: You may decide, provided that you have the available funds, that your accountant will handle the accounting for your business. However, it is more likely that you will need to take the "do it yourself route," using a small business accounting solution. Either way, you'll want to ensure that you are prepared to properly account for all business disbursements, payments received, invoices, accounts receivable, accounts payable, etc. Whether you decide to use an accountant or not you should definitely find a good tax strategist to work with you as soon as possible. This will allow you to get the most advantage from your new business entity at tax time. Once you've

found one consult with them at least quarterly. You can visit the Build-A-Biz Resource Page for more help.

Step 13. Establish a line of credit for your business: Establishing a line of credit as soon as possible will help lessen the number of times your new business will be required to prepay for the products and services it purchases which is very good for managing your cash flow. It also helps establish a favorable credit history, which is helpful as your business begins establishing vendor and supplier relationships. One thing you do want to avoid if at all possible however is providing personal guarantees for your business credit. The problem with doing this is that if your business runs into any type of financial difficulty, you will be left with the responsibility of paying off those debts yourself. We provide resources you can use to help your start-up get the credit it deserves without putting your personal assets on the line.

Step 14. Create marketing materials for your business: Okay forget the fancy office, furnishing, etc., that people often envision when thinking of their new start-up. Unless you will have clients coming directly to your home or there is specific equipment you need to actually run your business don't invest in it at this point. However, having materials such as a logo for your business, business cards, stationery and a decent website will help your business develop an identity and let potential customers find you. These or items that should be identified in your marketing plan as part of the system you will be using to identify, target & attract potential clients for your product or service.

Step 15. Implement your marketing system & find some customers: Whew! We're at the really fun part now, doing what we love and making money at it!

That's it the basics: everything you need to know when starting your first business.

Whether you decide to get started part-time or full time the real key is just to get started. Build-A-Biz is here to help you every step of the way. Your

membership course – HomeBizStart-Up will guide you step-by-step through this entire process in easy bite sized pieces you will be able to complete even if you're starting out part-time.

Each week you will receive a fresh new lesson in your inbox ready to help you tackle the next step on your journey. In addition you will receive our bi-weekly newsletter with tips, strategies and resources to help you along, plus access to our business start-up blog and business builder's forum to network with other like minded business owners.

If you follow along and complete the weekly assignments, at the end of the journey you will have a successful business start-up and be earning money doing what your love.

So let's get started. Take some action. Your first lesson will arrive immediately after you sign-up for the trial membership. It's an overview of what's to come and a few action steps you can take right now.

As always,
Wishing you Love
& Success

PAM

*The Home-Biz Coach,
helping **ordinary people** achieve
extraordinary results with their
own home-based business.*