

Question: How do I start a business?

Answer: Starting a business involves planning, making key financial decisions, and completing a series of legal activities. The following is a 10-step process recommended by the Small Business Administration (SBA). Depending on the type of business you wish to start, some or all of these steps, may be necessary.

1. Conduct Market Research

Market research will tell you if there's an opportunity to turn your idea into a successful business. It's a way to gather information about customers and businesses already operating in your area.

2. Write Your Business Plan

Your business plan is the foundation for your business. It's a roadmap for how to structure, run and grow your new business. You'll use it to convince people that working with you – or investing in your company – is a smart choice.

3. Fund Your Business

Your business plan will help you figure out how much money you need to start your business. If you don't have that amount on hand, you'll need to either raise or borrow the capital.

4. Pick Your Business Location

Whether you're setting up a brick-and-mortar business or launching an online store, the choices you make could affect your taxes, legal requirements and revenue.

5. Choose a Business Structure

The legal structure you choose for your business will impact your business registration requirements, how much you pay in taxes, and your personal liability.

6. Choose Your Business Name

It's not easy to pick the perfect name. You'll want one that reflects your brand and captures your spirit. You'll also want to make sure that your business name isn't already being used by someone else.

7. Register Your Business

Once you've picked the perfect business name, it's time to make it legal and protect your brand. If you're doing business under a different name than your own, you'll need to register with the federal government, and state government too.

8. Get Federal and State Tax IDs

You'll use your employer identification number (EIN) for important steps to start, and grow, your business, like opening a bank account and paying taxes. It's like a social security number for your business. South Dakota requires you to get a State tax ID as well.

9. Apply for Licenses and Permits

Keep your business running smoothly by staying legally compliant. The licenses and permits you need for your business will vary by industry, state, location and other factors.

10. Open a Business Bank Account

A small business checking account can help you handle legal, tax, and day-to-day issues. The good news is it's easy to set one up if you have the proper registrations and paperwork ready.