



# Business Startup

by Dan Tyson  
Score Hawaii

# Before We Start

- Score is a National non-profit organization dedicated to providing educational and free mentoring services to entrepreneurs
- Score Hawaii is based in Honolulu and is a member chapter of the Score National organization
- If you are involved in starting or are already operating a business and would like a mentoring service, please go to [Score.org](https://www.score.org) webpage to register for free one-on-one mentoring service
- For continuing education on various business issues, please attend Score Hawaii webinars
- For those interested in volunteering, please visit [Score.org](https://www.score.org) webpage and register to be a Score volunteer

# Disclaimer

- The information presented is for informational and educational purposes only.
- The opinions expressed during this presentation are the opinions of the presenter and no other.

The logo for SCORE is displayed within a large blue circle. The word "SCORE" is written in a bold, white, sans-serif font. To the right of the text are three white, slanted parallel lines of varying lengths, suggesting a stylized 'S' or a graph. Below the main text, the tagline "FOR THE LIFE OF YOUR BUSINESS" is written in a smaller, white, sans-serif font.

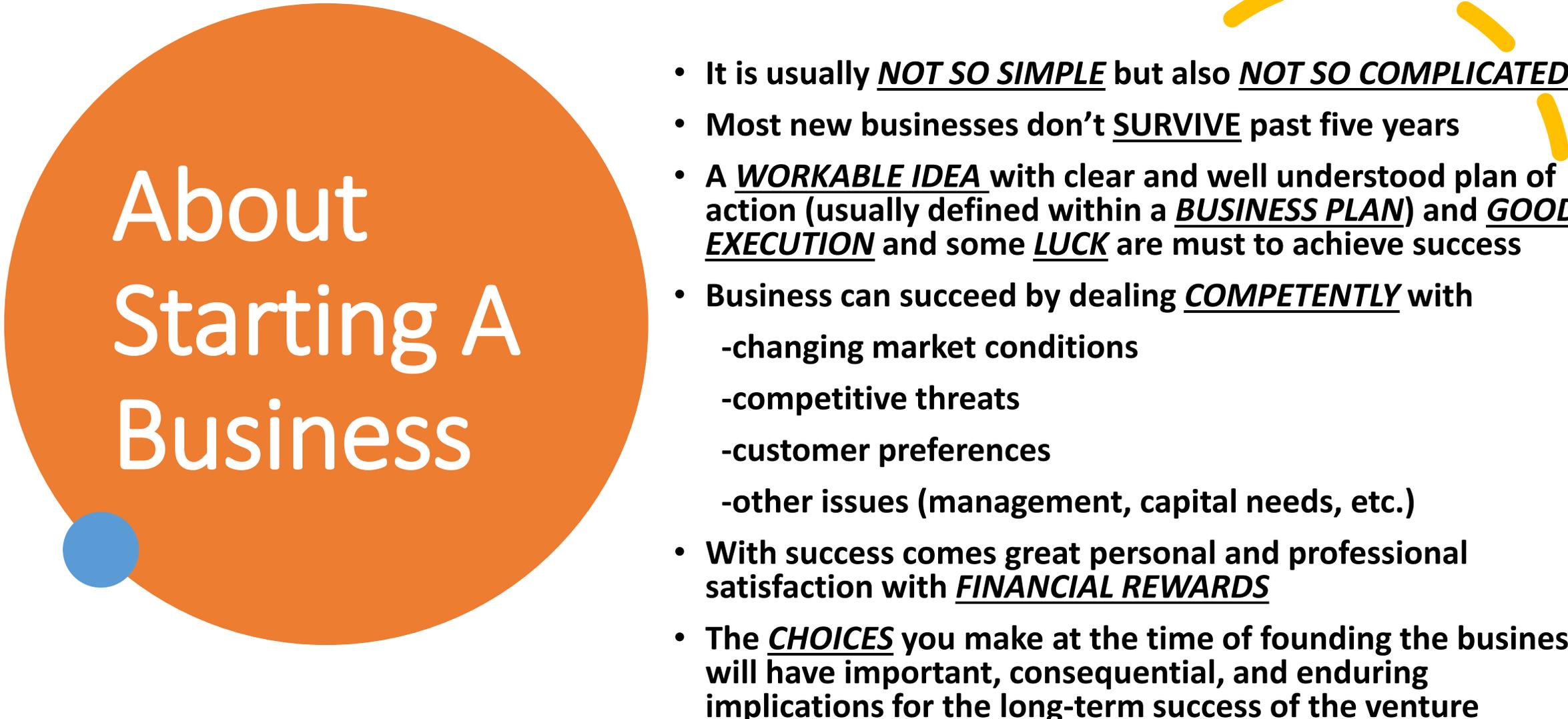
**SCORE**  
FOR THE LIFE OF YOUR BUSINESS



# Speaker Introduction

- Our speaker: Mr. Dan Tyson
- Near 50 years experience in business
- Started career in the US Navy
- Worked in Fusion Energy development and Medical Imaging product development, marketing, and sales
- During the working career, started small businesses in retail, import-export, and international consulting fields
- An active Score volunteer since 2015





# About Starting A Business

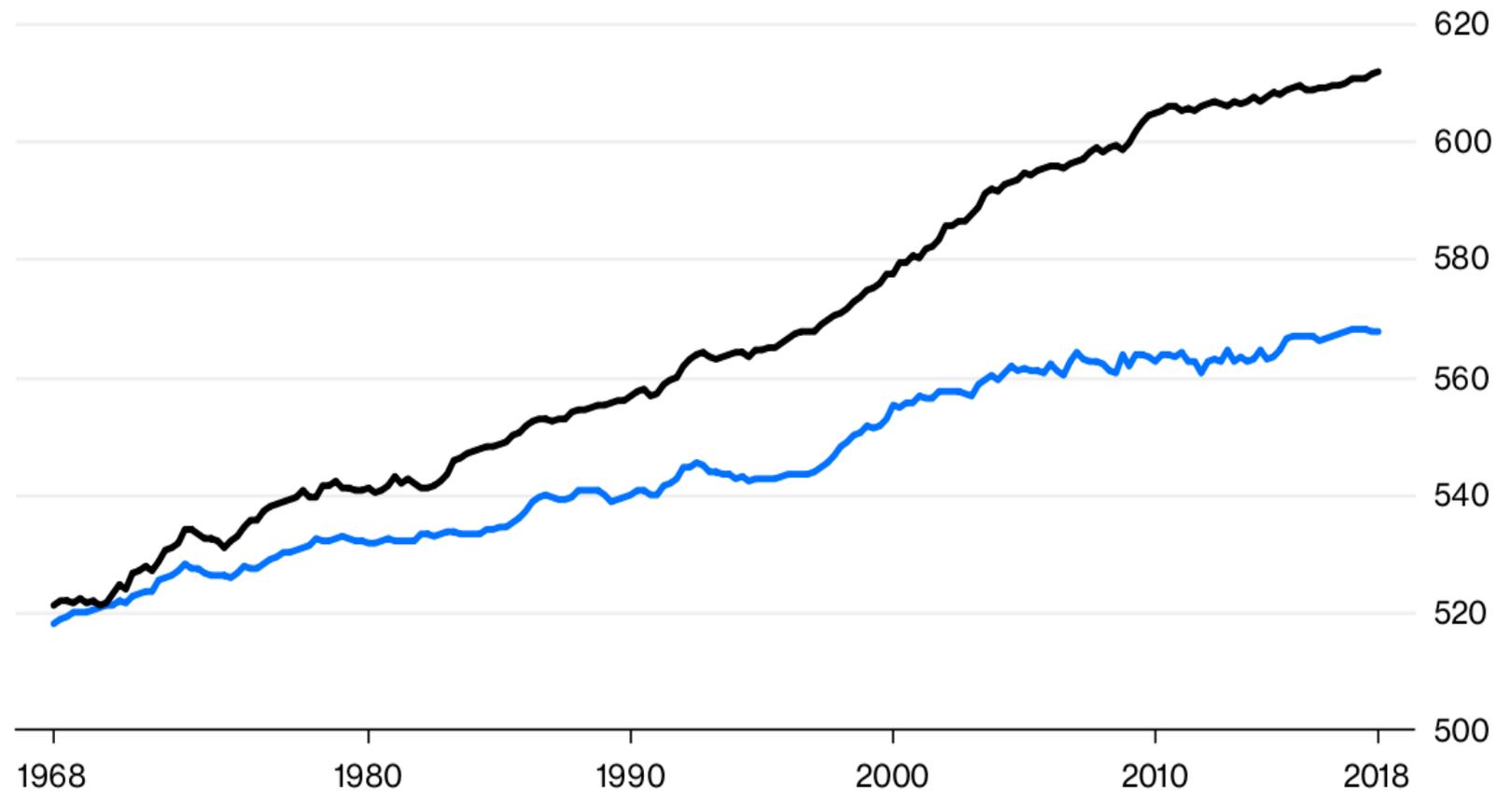
- It is usually NOT SO SIMPLE but also NOT SO COMPLICATED
- Most new businesses don't SURVIVE past five years
- A WORKABLE IDEA with clear and well understood plan of action (usually defined within a BUSINESS PLAN) and GOOD EXECUTION and some LUCK are must to achieve success
- Business can succeed by dealing COMPETENTLY with
  - changing market conditions
  - competitive threats
  - customer preferences
  - other issues (management, capital needs, etc.)
- With success comes great personal and professional satisfaction with FINANCIAL REWARDS
- The CHOICES you make at the time of founding the business will have important, consequential, and enduring implications for the long-term success of the venture

# Why Start Your Own Business?

## Sizing Up the Pay-Productivity Gap

Index 1947 = 100

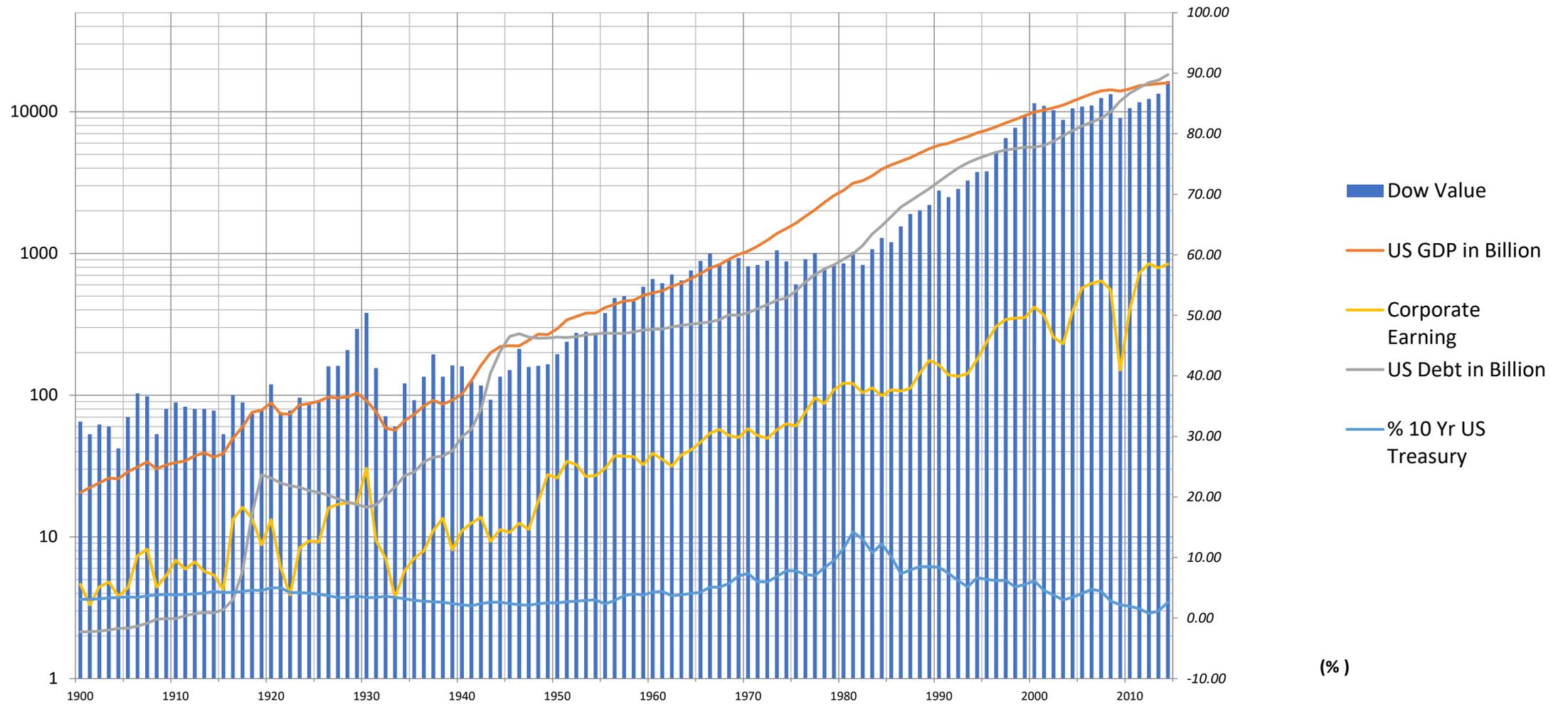
Real compensation per hour    Real output per hour



Source: Federal Reserve Bank of St. Louis

BloombergOpinion

# Dow Jones Industrial Average, GDP, Debt, Earning & Interest Rate



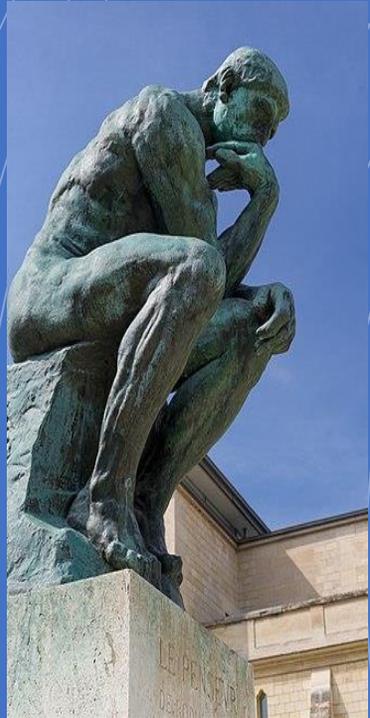
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OK. Now, that you want to be  
**YOUR OWN BOSS!!!**

Let's discuss about starting a  
business

# Business Ideas



- **All businesses start with an IDEA**
- **There are many historical examples of IDEAS that failed**
  - **DeLorean: all stainless-steel automobile**
  - **Osborn Computer**
  - **Electric and Steam engine automobiles at the turn of the 20<sup>th</sup> century**
- **Many IDEAS that far exceeded expectation and changed our lives**
  - **Internal Combustion Engine**
  - **Right Brothers' heavier than air vehicle**
  - **Model A and Henry Ford**
  - **Invention of transistors**
  - **Personal computer and digital mobile devices**
  - **Internet**
  - **And Many Many More!**
- **What are IDEAS of today that can change our lives?**



# Business Ideas for the Future?

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- **Some Examples**
  - **Flying Cars**
  - **Habitat In Space to Rent**
  - **Space Tourism**
  - **Solid State Battery**
  - **All Electric Cars**
  - **New Internet enabled businesses**
  - **Cement that absorbs CO<sub>2</sub>**
  - **Many Others, both big and small!!!**
- **Ideas can become businesses but not all businesses can make money with ideas and survive**
- **Remember, It Is The Timing: First to the Market may not be ideal**

**Sam Bousfield**: Owner of Samson Motorworks and Visionary Entrepreneur  
Developing a flying automobile that can operate on the road as motor vehicle and can also take off,  
Fly and land as an aircraft (started in 2009)

- Concept:
- \*Three wheeled vehicle called “Switchblade” made of light weight carbon fiber material and internal combustion engine/pusher prop
  - \*Swing wing design where wing stows under the chassis when on the road
  - \*Selling the unit as a kit where owner assembles (51% work by owner)
  - \*Many other designs coming on the scene in competition
  - \*Automatic driving capability is the enabler that can make this concept a reality for general application

## Switchblade

Point-to-Point Transportation.

The Switchblade is a three-wheeled, fully enclosed vehicle that you drive from your garage to a local airport. Once there, you swing the wings out and fly directly to your destination at up to 200 mph, at altitudes to 10,000 feet. You simply land and swing the wings closed, continuing on wherever you want to go.



# Chasing Big Dreams

**Robert Begelow:** Billionaire Real-estate Mogul and Visionary Entrepreneur

Inflatable Space Habitat for low earth orbit and structures on Moon and Mars

Concept: \*Original idea developed by NASA but abandoned due to budget cuts

\*Mr. Begelow acquired the rights and developed the proof of principal structures and continuing to test new designs (2000)

\*Plans to build structures, place in space/on Moon and Mars and collect rent

\*His granddaughter has graduated with MBA and ready to take over the Business if Mr. Bigelow is too old or not able to carry on

\*Waiting for the world to catch up so he can fulfill his vision of New Business beyond earth!



# Quantum Glass Battery (QGB)



- A type of **solid-state battery** using glass electrolyte and lithium or sodium metal electrodes
- The QGB was invented by John B. Goodenough and Maria H. Braga
- John Goodenough invented the lithium-based material used in the lithium-ion battery and now he has a new invention!
- QGB can have many times the energy density of the lithium-ion batteries, lower operating temperature to  $-20\text{ }^{\circ}\text{C}$ , non-use of a flammable liquid electrolyte makes it safer, and able to cost reduce by using sodium instead of expensive lithium
- QGB can be the solution to battery problems of electric cars, home electric power storage system, and many others



# New CO<sub>2</sub> Absorbing Cement waiting to be Invented

**By Whom?**

**Maybe YOU!!!**

**Cement that sequesters CO<sub>2</sub>;  
now that is something we can  
really use about now?**



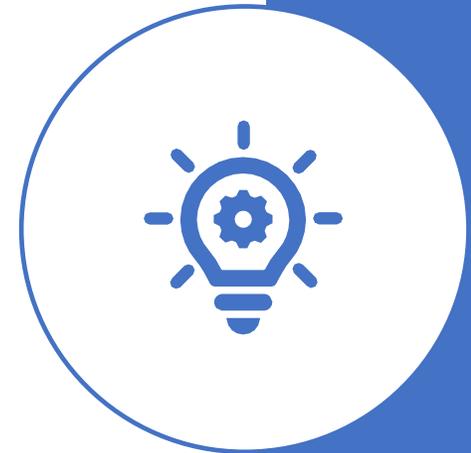
# What is your IDEA?

**OK!! Now that you have an  
IDEA that can make MONEY  
\$\$\$  
Let's Get Started**

# Starting a Business in Hawaii

*(These steps are not necessarily sequential: Many can be performed in parallel)*

1. Fully develop the Business Idea and Business Model
2. Conduct Market Research, prototyping, test marketing, etc.
3. Write a Business Plan
4. Select the Name and its Legal (Business) Entity
5. Register a Business Name with DCCA
6. Protect your Name, Logos, & Slogans through USPTO (Trademark)
7. Get an EIN from IRS
8. Open a Business Bank Account
9. Apply for Business & Tax Licenses and Permits
10. Find Capital
11. Hire Employees
12. Obtain Business Insurance
13. Set up an Accounting System
14. Develop a workable supply chain



# Market Research

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**It means finding out about customers and competitive space where the business resides**

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**Market Size**

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**Market Demographics**

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**Customers (who are they?)**

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**Location**

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**Competitors**

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**Purchasing Habits**

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**Find ways to obtain these data**

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# Market Information

- **US**
  - **US Chamber of Commerce**
  - **US Census Bureau and Population Finder**
- **Hawaii**
  - **Economic Forecasts: First Hawaiian Bank**
  - **Economic Trends: Bank of Hawaii**
  - **Department of Business, Economic Development & Tourism (DBEDT)**
  - **Census and Population information at DBEDT**
- **Other sources such as periodicals, experts, associates, etc.**
- **Net Working with people in the same industry is important**

# Business Plan

**Describes the BUSINESS**

**Contains basic sections:**

- **Executive Summary**
- **Management Team**
- **The Business**
  - **Value Proposition**
  - **Capitalization Plan**
  - **Organization**
  - **Marketing and Sales Plan**
- **Financial: Description of Revenue and Expenses and Forecasting (1~3 years)**
- **Other Information: References, Resume's, Any other pertinent material**

# Select a Business Name

- The Business name is considered a “fictitious name” needed to operate the business: DBA, doing business as
- A name is selected and must be registered; however, the name needs to be cleared of incumbrance, meaning it is not currently in use
- Consider obtaining trademark and copywrites as needed (from USPTO)
- In Hawaii, registration is made at the Business Registration Division (BRD) of the Department of Commerce and Consumer Affairs (DCCA)
- Registration can be performed at BRD website where Business Name Search can be performed to ensure the name is clear for use

# Select a Legal Entity: What is it?

- **Business entity is an independent BEING with a name; like a child being created**
- **It can take many forms, some of which are:**
  - **Sole Proprietorship**
  - **General Partnership**
  - **Limited Liability Partnership (LLP)**
  - **Limited Liability Limited Partnership (LLLLP)**
  - **Limited Liability Company (LLC)**
  - **C-Corporation**
  - **S-Corporation**
  - **Others such as Associations and Trusts**

# EIN and Tax Information

- Visit IRS online web page to obtain EIN
- EIN (Employer Identification Number) is like an individual social security number that uniquely identifies the business
- When obtaining EIN, required to select tax filing entity, such as sole proprietorship, LLC, S-Corp, C-Corp, etc.
- GET (General Excise Tax) License (available through online or at BAC)
- Other tax information such as property tax as applicable

# Bank Account

- Find a local Bank which can support your current needs
- To Open an Account, the Bank will require your filing information plus business entity information
- If LLC or Corporation, Bank will ask for a copy of incorporation filing and operating agreement (for LLC) and by laws (for Corporation)
- Consider applying for a line of credit to help manage the cash flow needs of the business
- Get to know the commercial officer at the bank who may provide available marketing and competitive information about the local business environment

# Obtain Licenses and Permits

- In Honolulu, visit Business Action Center
  - BAC:  
335 Merchant Street, Suite 201  
Honolulu, HI 96813  
Phone: (808) 586-2545  
Fax: (808) 586-2733  
Email: [bac@dcca.hawaii.gov](mailto:bac@dcca.hawaii.gov)
- BAC can provide information specific to a business endeavor:
  - Registration of Business (business entity)
  - Obtaining proper tax licenses
  - Registering as an employer with the Department of Labor
  - Business Counseling and workshops
  - Free Legal Clinic

# Find the Money

- **Self Funded**
- **Family and Friends**
- **Bank Loans**
- **Venture Capital Investment**
- **Angel Investor Investment**
- **Crowd Funding**
- **Any other ways?**

# Other Needed Information: Industry Specific

- **Employee related issues including tax withholding requirements**
- **Safety Regulations such as OSHA standards**
- **Patent**
- **Copy Right and Trademark**
- **Laws regulating advertisement**
- **Fire Regulation**
- **Liquor Service-Related regulations**
- **Firearms regulations**

# Insurance, Accounting, Legal, and HR Services

- These services are readily available
- Finding the right one for your business is the key
- Your business might even be one providing one of these services
- Take the time and find the one that is right for you
- This is an important part of team building

# Suppliers

- Find multiple supplier candidates and obtain quotes to select the supplier(s)
- Important to find one that is responsive to meeting the business needs
- Select the ones that best fit your needs, not just the lowest priced supplier---- if suppliers see opportunity in your business, they will negotiate
- Consider location and delivery efficiency and the Total Cost
- Do not be afraid to ask for discount as business grows and/or situations demand
- The need of the business is the driver for supplier decisions



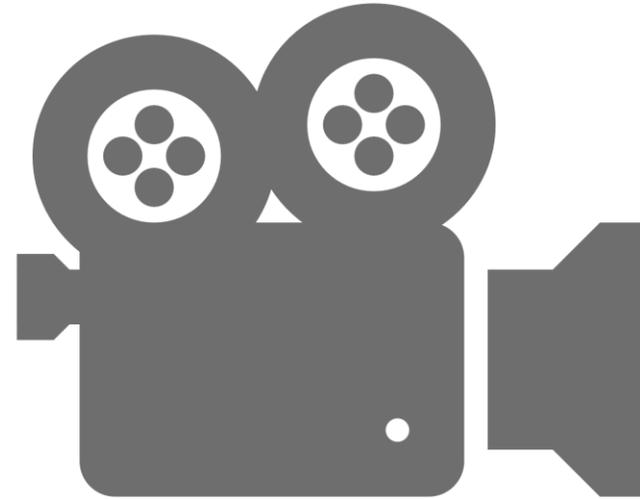
# Bottom Line

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- **Business is a TEAM Sports**
- **Make sure team is functional as your business opens**
  - **Accounting and Financing**
  - **Legal**
  - **Marketing including Social Media**
  - **Human Resources**
  - **Technical Support**
  - **Insurance Broker**
  - **Suppliers**
  - **ETC.**
- **Going Cheap on the frontend can cause headaches down the road**
- **Team members can be assembled as the business needs arise so be prepared**

# Viewing Score Hawaii Presentation Material

- Please Visit <http://Hawaii.Score.Org>
- Then go to [Recorded-webinars | SCORE](#)
- There, video recordings of Score webinars and ppt and other materials are posted for public viewing (some ppt files may not be available)
- Also, hyper link to other Score webinar recordings are available for perusal and viewing





POLLING: Please  
Complete So  
That We Can  
Proceed To Q&A

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# Q&A

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