

10 Point Guide To Starting A Business In Oakland County Michigan



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Introduction

Congratulations on your decision to embark upon a new business venture! The Oakland County Business Center, a department of the Oakland County Planning & Economic Development Services Division has developed this 10-point guide to assist you with the startup process.

This "10 Point Guide to Starting a Small Business in Oakland County," includes information essential for **establishing a new business** and answers the questions that prospective owners most often ask.

The treatment of any one topic is not intended to be all inclusive, but to give entrepreneurs a **starting point** for further investigation of the many aspects involved in beginning a new business. Our aim is to provide information from **concept to planning** through the **early months of operation**.

The requirements may vary according to the type of business you intend to start, but are a quick and comprehensive guide to what you will encounter.

We highly recommend you research the following steps and review the information on the [Start Your Business](#) section of our web site prior to [calling](#) our center for additional assistance.

Disclaimer

The information contained is intended to provide accurate information on the subject matter. It is provided with the understanding that we are not rendering legal, accounting or other professional services and we assume no liability whatsoever in connection with its use. Any resources or other service providers listed are contained as a public service and their inclusion does not constitute any endorsement or assurance of services provided.

Lola Aré

Senior Business Consultant

The Oakland County Business Center provides education, counseling and referral services to residents and business owners. Our free to low cost workshops were specifically developed to address the majority of startup issues. Our free counseling services include business and marketing plan review, new business feasibility analysis and finance preparation and packaging.

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Step 1: Gather Information

The first step to starting a business is to find out if you are cut out to embark on this journey. Starting a business is very unlike a full time job where you receive a steady pay check. On the contrary it involves an initial financial investment, a lot of planning, hard work and sacrifice including the possible forfeiture of a paycheck until the business takes off. Check out our brief Entrepreneur Evaluation to see what you are up against.

Now that you have passed the first hurdle decide what type of business you want to go into. Since we do not counsel potential business owners on the types of businesses to consider, we strongly suggest you have firmed up this decision before proceeding to the next step.

At this stage of the game you need to find out before you spend any upfront money if the business you are considering will be viable in the geographical location you have selected. Does your product/service address a specific customer need? How much are they willing to pay for you to solve their pain? Should you purchase a successful existing business, start one from scratch or even consider a franchise? You will also need to research the trends within the industry your business falls under to determine the lifespan of your business. Is your industry flat, growing or declining? Who are your existing competitors especially within the geographical space you are considering? What are you willing to offer your customers over and above what your competitors are currently offering? How will you sustain this business?

We offer a no charge, one time, 3.5 hour workshop called [Pre-Business Research](#) that will provide you with the answers to the aforementioned questions and research tools to challenge your mind and advance you to the next step.

Upon gathering your preliminary research and you are confident that you are ready to proceed, consider attending our low-cost, one time, 3-hour workshop entitled [Fundamentals of Starting A Business](#) to obtain the basic fundamentals of starting a business. Issues addressed include licenses or permits, zoning regulations, registering your business etc.

Entrepreneur Evaluation

Considerations for a Prospective Business Owner

Those who aspire to start their own business have many motivations and ambitions. It is not like changing jobs because it involves using your life savings and committing your future earnings and lifestyle to the profits of your business. We have proposed a series of tough questions for you. If you can answer "yes" enthusiastically to all of these questions, you are truly an entrepreneur.

1. Do I understand that my proposed business may require skills in finance, marketing, and operations that I must acquire to be successful?
2. Do I understand that transferring my personal skills and experiences to a new business offers a severe challenge to become a manager and business owner?
3. Do I want to invest most of my savings or borrow on my home to start my business?
4. Do I want to earn less for at least the next two years if I am working for someone else now?
5. Do I want to give up the benefits, fringes, and perks I now have?
6. Do I want to work harder and longer than I ever have before?
7. Do I want to wake up each morning and know the business depends on me and whether I feel sick or there is two feet of snow I must go?
8. Do I want to open the business in the morning and turn out the lights at night?
9. Do I want the frustrations of hiring people who don't have the interest in the business I do?
10. Do I understand that to make money, the customer is the person to be served, not me?
11. Do I understand that when there is a business problem it is my job to fix it?
12. Do I understand that when the business needs more money, it is my job to find it?
13. Do I understand that everyone (landlord, employees, bank, utilities, and suppliers) gets paid before I do?

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Step 2: Create a Business Plan

A business plan is like a roadmap that shows you where you are in relation to where you want to be. Whether you believe in a business plan or not, starting a business involves many ideas that need to be documented and actions that need to be taken. Many businesses fail without a business plan, and furthermore, lending institutions require one prior to considering businesses for a loan.

Business.gov is the U.S. government's official business link and is an excellent online general resource for launching, managing, growing, or getting out of a business.

Assistance with your business plan can begin with us. We offer a low cost, one time, 3-hour workshop entitled [Fundamentals of Writing a Business Plan](#) that walks you through a comprehensive step by step process of putting your plan together. Additionally, under the [Business Planning Tools](#) section of our web site you will find resources for your business including business and marketing plan formats, sample business plans and cash flow templates.

For a confidential, no cost review, [email us](#) a copy of your business plan and monthly 5 year cash flow projections:

Step 3: Determine a Business Name

The name you choose for your business is very important. To insure that no business registered in Michigan is already operating under the name you would like to use, search online for name availability with the following entities:

[Oakland County Assumed Names Lookup](#) --

(Oakland County specific dbas – sole proprietorships and partnerships ONLY)

Assumed Names registered in the remaining 82 Michigan counties will not show up under this search.

[Michigan Business Entity Search](#) (Corporations/LLCs)

Business names registered at this level supersede any assumed names registered at the County level.

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Step 4: Determine the Legal Structure of a Business

When you start your business, you must decide what legal structure it will have. There are several choices of business formats in Michigan including: sole proprietorship, general partnership, limited partnership, corporation, limited liability company, professional liability company etc.

We strongly advise you to contact your business attorney and CPA for advice and assistance in determining the best legal structure for you and your business.

Every quarter, we offer a no charge, one time, 3 hour workshop entitled [Legal and Financial Basics](#) that will shed some light on your options.

Contact the following departments for additional direction on completing the necessary paperwork **to register your business**.

Oakland County Clerk's Office (dbas: sole proprietors and partnerships ONLY)

For additional information call 248-858-0568.

When you register your business at our County Clerks office you only receive protection for your business name within Oakland County. If you are considering doing business outside County limits, consider statewide protection.

[State of Michigan, Bureau of Commercial Services, Corporate Division of the Department of Labor and Economic Growth.](#)

For more information, call 517-241-6470.

Step 5: Select A Site and Determine Zoning and Site Permit Requirements

Determining zoning requirements prior to signing a lease or contract is imperative. You must acquire a zoning use permit for assurance that the type of business you plan to operate is legal in the desired location.

Check with your city, village or township for specific zoning requirements.

All construction projects must have a permit and even if the business is an existing one an occupancy permit may be required.

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Step 6: Determine the Business Activity Type and Obtain any Special Licenses or Permits

[State License Lookup](#)

Licensing is done at the State, **not the County level**. And not every business in Michigan is required to be licensed by the State of Michigan. Find out if your new venture requires a state license!

Permits

Check with your **City** government to see if any permits are required.

Catering or food service businesses can not be run from a home location otherwise they will be considered in violation of the Oakland County Health Department and will ultimately be shut down.

Oakland County business owners looking to start small scale or startup non-premise food establishments should [contact us](#) to review their options for utilizing affordable Commercial Kitchen facilities in their area.

Step 7: Get Tax Information

For state taxes and a Sales Tax ID number visit the Michigan Tax Information website.

[Michigan Department of Treasury](#)

Lansing, Michigan 48922

(517) 373-3200

TTY (517) 636-4999 Deaf or Hearing Impaired Only

All forms of legal structure, except sole proprietors with no employees, must obtain a Federal Employer Identification Number (FEIN). The FEIN is your federal tax ID number.

Prior to obtaining a new FEIN select and register your business name first.

Taxpayers can obtain an FEIN immediately by calling the Toll-Free Business & Specialty Tax Line (800) 829-4933 or [applying online](#) and obtaining their number upon completion.

For more federal tax information contact:

[Internal Revenue Service](#)

(800) 829-1040

Step 8: Employer Responsibilities

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A new set of responsibilities arise when a business hires employees. Employers must register as an employer, pay additional taxes, withhold, match and submit employee withholdings, obtain worker's compensation insurance and adhere to employee eligibility regulations. Make sure to have obtained a FEIN number as described in step 7.

For additional information check out the following link on [hiring employees](#).

The employer is required to pay state and federal unemployment insurance tax on wages paid to all employees. Employer accounts and liability are established once the employer has registered with the Unemployment Insurance Operations Tax Office. For the State of Michigan information contact:

[Michigan Unemployment Insurance Agency \(UIA\)](#)

The UIA produces an **Employer Handbook** which contains a wealth of information and covers everything you need to know about unemployment insurance, from the employer to the claimant. To receive a copy of this handbook, an order form can be found at the [UIA web site](#) or you can call 800.638.3994; there is a \$15.00 cost for the handbook.

Worker's Compensation is required for all employers in Michigan if one or more full or part-time persons are hired.

[Michigan Guide To Worker's Compensation](#)

Once you are ready to begin hiring staff for your business, the Oakland County's Workforce Development Department can help you find and prescreen qualified applicants using the [Michigan Talent Bank](#). This service is free to employers and employees.

[Oakland County Michigan Works Centers](#)

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Step 9: Obtain Financing for Your Business

Locating startup funding for major items like the acquisition of real property, renovation, equipment, inventory purchases, working capital requirements, etc. will be one of the most important challenges you'll encounter when starting a business venture.

Financing can be obtained from private financial institutions such as banks and other private lenders; owner's equity, investor capital and economic development financing programs. Please see the [Financing/Grants](#) section of our web site for additional resources.

Step 10: Marketing Your Business

The Business Center can assist your company at every phase of marketing, from analyzing your competition to locating new markets. This includes preparing sales forecasts and developing pricing, advertising and sales strategies.

As the business owner you need to constantly ask yourself the following questions:

- Is there a demand for my products/services?
- Who else is out there providing similar products/services?
- What impact will they have on my business?
- Can I make money with this business?
- How much money can I/do I want to make?
- Am I willing to do what it takes to sustain this business?? (networking, PR, pitching my business)

Every quarter, we offer a one time, 3 hour workshop entitled [Fundamentals of Marketing Your Business](#) that will shed some light on your options.

The Oakland County Business Center, located within the Planning & Economic Development Services Division is available to assist you each step of the way. Please contact our office if we can be of further assistance on 248-858-0783.

Best of luck with your new venture!!!

[Oakland County Business Center](#)

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