

5 Tips for Starting Your Own Business



There's no doubt the pandemic has hit small businesses hard. Even in its early weeks, February to April 2020, the number of active businesses plummeted by 22%, according to a report from the National Bureau of Economic Research. And unfortunately, the consequences of the early shutdowns impacted minority-owned businesses even harder, with Black-owned businesses seeing a 41% drop, Latinx businesses 32%, Asian businesses 26% and women-owned businesses 25%.

Does that bad news mean that now is the wrong time to consider starting a new business? Not necessarily. Opportunities exist for small businesses today, including support and funding for start-ups - and especially for minority business owners.

If you want to start a small business, here are steps to get you started.

1. Do Your Research

First, make sure you understand the current market for your business. This step is crucial to turn an idea into a full-fledged business plan.

Ask questions like:

- Is this product or service in demand right now?
- Are there similar products and services out there, and are they succeeding?
- Can this product or service be delivered safely for employees and customers?
- Could the business support rapid growth if it really took off?

Ask other business owners about their challenges and rewards to explore whether this is a good option for you. Use market analysis tools recommended by resources such as the Small Business Administration (SBA) to get to know the market for your business.

2. Write a Business Plan

No business can find funding, investors or partners without a solid business plan. Learning to write a comprehensive plan also forces you to fully think through every aspect of your proposed idea. The SBA is a great resource to research types of business plans.

Enlist the help of other business owners during the process if you can to understand how their plans helped them and what to avoid.

3. Fund Your Business

Every business needs capital to get started. Your business plan's financial section should provide a clear idea of the capital you need to launch. Most businesses rely on multiple financial sources, including:

- Personal funds
- Bank loans or personal loans
- Investors
- Crowdfunding

SBA loans can be a good option. For example, Huntington Lift Local Business is a small-business lending program focused on serving minority-, women- and veteran-owned businesses. Huntington is a top SBA 7(a) lender that has developed creative lending options and other features to help bring relief, recovery and growth to small businesses across the Midwest.

With Huntington's program, businesses can secure SBA-guaranteed loans from \$1,000 and up to \$150,000 with:

- Zero origination fees
- SBA fees paid by Huntington
- Lower credit score requirements
- Free financial education courses
- Checking accounts with 24-Hour Grace overdraft fee relief, and service fee waived for 36 months
- Flexible, longer-term repayment options

"The economic uncertainty sparked by the pandemic has highlighted the need for increased financial opportunity for everyone starting or sustaining their small businesses," said Huntington's SBA program director, Maggie Ference. "Everyone deserves a shot at success, and our program delivers a new solution to customers when they need it most, whether for a startup or an established business looking to grow."

4. Develop a Marketing Plan

Creating a brand identity and communicating it well is crucial to success. Consider hiring or contracting marketing services to help you choose your business name, create a logo, build your website and develop a strategic marketing plan to get the word out about your business.

5. Take Care of Business

Dotting the Is and crossing the Ts is necessary for any business. Details include choosing your business location and registering your business, applying for all the required licenses and permits, including federal and state tax IDs - plus opening your business bank account. Also, consulting an accountant with experience helping small businesses can ensure you have your business and financial ducks in a row.

Starting a small business is a daunting challenge, but it can also be a rewarding opportunity. Taking the time to fully explore and utilize all the resources at your disposal can help ensure that your new business will be a success.