






Realizing the Dream: Starting a Business

For the Bellevue Entrepreneur Center
Rodger Kohn, Kohn Law Group
Wayne H. Ottum, Ottum Enterprises, LLC
April 16, 2010

What You Will Learn Today

- Key things to consider in planning to start a business.
 - Legal
 - Organizational
 - Financial
 - Personal
- The basic steps of starting a business.
- The value of building a team.
- Resources available to help businesses start right.

Legal Considerations

- Type of entity
 - Sole Proprietorship
 - Partnership
 - Limited Liability Company
 - S-Corporation
- Licenses & Registration (UBI, L&I, ESD, FEIN)
- Hiring workers
- Contracts with essential “partners”

Legal considerations are often intertwined with the overall business plan.





Organizational Considerations




- Business Plan
 - Business Foundation
 - Vision
 - Mission
 - Values
 - Products and Services
 - Marketing and Sales
 - Structure, roles and responsibilities





Organizational Considerations

- How will you take out income?
 - Salary
 - Profit share
 - Exit strategies
- Who will do the work?
 - Owners
 - Employees
 - Independent Contractors (a/k/a 1099s)

Financing the Business




- Start-up vs. Operating Capital
- Sources
 - Principals
 - Equity (cash, sweat, other)
 - Debt (loans from principals)
 - Investors (a/k/a equity)
 - Friends & family
 - Outside sources (e.g. angels & venture)
 - Loans (a/k/a debt)
 - Sources (owners, friends & family, bank, factors)
 - Personal guarantees & collateral
 - Convertible debt
 - Other Sources (e.g. grants, SBA programs)








Personal Considerations

- Why are you doing this?
- Work-Life balance
- Personal goals
- Exit strategies






Other Considerations

- Taxes
- Insurance
- Leases
- Contingency Plans
- Revisiting your plans





Steps of Starting a Business

- Begin with the end in mind - Vision
- Clarify personal considerations
- Clarify organizational considerations
 - Start with very basic business plan
- Develop your team
- Explore and determine financing
- Form legal entity
- Obtain licenses, registrations & insurance
- Plan, in detail!
- Launch





Doing Business in Washington

Corporations	http://www.secstate.wa.gov/corps/	Corporate name look up and other information
Dept. of Licensing	http://www.dol.wa.gov/business/	State business license information and forms
Dept. of Revenue	http://dor.wa.gov	Trade name look ups and basic information about state taxes
IRS	http://www.irs.ustreas.gov	federal tax forms and information
Access Washington	http://access.wa.gov/	State web site with links to most state agencies
MSRC	http://www.mrsc.org	State, county and city information and links

KOHN LAW GROUP BUSINESS LAWYERS  

Resources

- Go to the www.bellevuechamber.org and select **Resources** then **Government Resources**
- Bellevue Entrepreneur Center
- City of Bellevue: Office of Economic Development
- King County, Business Services Page
- enterpriseSeattle
- Puget Sound Regional Council
- Washington State:
 - Department of Commerce
 - Department of Revenue
 - Department of Licensing
- Small Business Administration (Seattle Regional Office)
 - Loan programs
 - SCORE
 - Women's Business Center
- Internal Revenue Service, including Taxpayer Advocate Service

KOHN LAW GROUP BUSINESS LAWYERS  

Questions?

Thank You!

Rodger Kohn & Wayne Ottum

KOHN LAW GROUP BUSINESS LAWYERS 