

Steps to Starting a Business

Also see www.OkStartup.com or www.OKcommerce.gov

1. Search your name for availability prior to registration by contacting the Business Filing Division of The Oklahoma Secretary of State (405) 521-3912. Or you can do the search on their web site www.sos.state.ok.us go to *Business Services; Business Entities; Records Search*.
2. Register your business name in the State of Oklahoma; good for 10 years cost is \$25. Complete a Trade Name Report (SOS Form 0021-12/01) and file in duplicate with the Oklahoma Secretary of State. File online at www.sos.state.ok.us go to *Business Entities; Entity Filings* or download form at *Forms*. Can also file or download LLC, PLLC and Corporation Forms. (LLC and PLLC do not need to file a Trade Name Report; PLLC is for licensed professionals, attorneys, doctors, engineers, etc) LLC is good for 50 years; fee \$100 then \$25 every year due July 1st (subject to legislature changes).
3. You need to know what your business structure is: Unincorporated business means Sole Proprietor; Limited Liability Company means LLC (you must complete paperwork to form a LLC and draft an operating agreement – Jackie has a sample); corporation means are you a C or S corp. (you must form a corp. first); Partnership means there is more than one owner, this includes husband and wife teams (you should have a written partnership agreement, even if you are a LLC). Check prices to draft a partnership agreement with legal assistants or attorneys (Jackie has a sample). You can also check out www.toolkit.com for information on what should be in a partnership agreement, and research the different types of business structures (Sole Proprietor, LLC, PLLC, Corp, etc). If you buy a LLC the owner must dissolve and you must re-structure and register.
4. EIN – Federal Employer’s Identification number. Nearly every business needs one. A sole proprietor can use their social security number but a two member LLC, Corporation, and a Trust needs an EIN. Any business that is going to hire employees needs one. Call (800) 829-4933 to get an EIN number by phone or go to www.irs.gov to get one online. No cost.
5. Complete the Oklahoma Business Registration Packet from the Oklahoma Tax Commission, there is a \$20 filing fee. Every business needs to complete this except sole-proprietor with no employees and paying no sales tax. Also use this form for any Business changes such as address, location, ownership, etc. Questions call (800) 522-8165, or www.tax.gov/forms/busregpk.pdf If you go to Oklahoma City in person you can get a sales tax permit in 30 minutes.

6. Your Business may need Insurance or a Special License, call (877) 655-2287, or visit www.okonestop.com to find out if you need a license. For food and agricultural products information www.fapc.okstate.edu.
7. Sales Tax: these laws are very complex, go to a Tax Seminar presented by Dewey Brandon from the Oklahoma Tax Commission check their web site for times and locations www.tax.ok.gov, also you can go to the Rules Rules – Sales Tax section to see if you must pay sales tax. Some service businesses must pay sales tax and if you sell wholesale you may have to pay sales tax. Taxpayer Assistance (405) 521-3160 ask for Dewey Brandon, he is the expert!! Toll-Free (800) 522-8165 Ext. 13160.
8. The Duncan Workforce Center provides information on ALL Veterans Benefits. Call (580) 255-8950 to verify times available for assistance.
9. Independent Contractor Rules www.irs.gov use search tool. Have them Complete a W-9 form, have a written agreement and ask for their Department of Labor affidavit, send a 1099-Misc. form if you pay them more than \$600 per year. Go to www.toolkit.com and search Employee or Independent Contractor. ***Ask about required files and records!!***

If You Are Going to Hire Employees

There are required records to keep, ask for help!! www.dol.gov/elaws

The Duncan Workforce Center can provide **FREE Employment Labor Law Posters** plus many other benefits. Call (580) 255-8950 or visit their website www.oesc.state.ok.us for information about FUTA the unemployment benefit tax. Quick Tips: **Have a Policy and Procedure Manual** that stipulates a 90 day probation period, if you let them go during this time they can't file for unemployment. (2) If you are notified that someone has filed for unemployment you must respond or they will probably be granted unemployment benefits. (3) File your reports timely even if you can only pay \$1, then they can only charge you interest not the \$100 late charge. When you complete the EIN check the box concerning hiring employees, then they will send you the forms to complete and send back concerning withholding tax (SS, FICA, and FUTA). If you receive a form send it back with a zero on it, if your have no employees, **do not ignore it!** You can do Quick Tax on-line or by phone, but do only one: either on paper, by phone, or on-line. (877) 829-2002 or www.tax.ok.gov click on "Online Filing Options" then select "QuickTax".

The Workers' Compensation Act is a law that specifies the rights and responsibilities of employers and employees when a workplace injury occurs.

Every employer subject to the provisions of the Workers' Compensation Act shall pay, or provide, compensation for disability or death sustained by an employee as a result of an accidental job-related injury. See the Oklahoma Department of Labor web site www.okdol.state.ok.us for more info. Check the State Insurance Fund www.CompSourceok.com and your insurance agent for Workers' Comp rates.

First Step to Business Success is to Write a Company Vision and Mission Statement

The company's Vision and Mission determines the strategic direction for Business Development including your management values and your target market. Your Vision Statement should capture your passion.

The difference between a Vision Statement and a Mission Statement is that the Vision Statement focuses on a company's dream; while the Mission Statement focuses on a company's business strategy. The Vision answers the question, "Where do we want to go" the Mission answers the question, "How are we going to get there?"

A Vision Statement aligns your core values with what you aspire to achieve and become. It is a picture of the desired future, where you see the business twenty years from now. **Jackie's Vision Statement:** *To empower entrepreneurs to be in control of their own destiny and future.*

A Mission Statement describes what an organization is all about: its purpose and primary objectives. What is our fundamental reason for existence?

Jackie's Mission Statement: *To provide the information and resources so entrepreneurs can make educated and informed business and financial decisions.*

For more help in writing your Vision and Mission Statements go to www.awesomelysimple.com and click on *Chapter One – Vivid Vision* and review the additional resources for ideas and sample Vision and Mission Statements. To listen to an excellent webinar on why the Vision and Mission is the Key to Business Success go to www.ventureneer.com; click on *Free Webinars*; then *Archived Webinars*; then scroll down and look for *Focus All Spending On Your Mission and Increase Success*, presented by Randy Joy, CPA. www.randyjoy.com.

Vision Statement:

Mission Statement:

After you have written your Vision and Mission Statement, you can develop a few key simple goals with clear targets so you can focus on results, not activities! I suggest you establish three top priorities as your Lead Measures (lead measures drives profit). Then act on these Lead Measures because if you get them right you will fulfill your Mission and Vision. Lead measures must be influence able and predictive. The lead measurers are the 80/20 activities. Pareto's Law says 80% of the results come from 20% of the activities.

- Lag Measures – Measure the goal (your Vision and Mission)
- Lead Measure – Something that leads to the goal (predictable)
Something we can influence (influence able)

My example is below. If I focus and execute my top three priorities then I will make my Mission happen and if I make my Mission happen then I will make My Vision happen. Because the Vision is the BIG picture and the Mission is how we make our Vision come true.

Jackie's Vision: *My Vision is to empower entrepreneurs to be in control of their own destiny and future.*

Jackie's Mission: *My Mission is to provide the information and resources entrepreneurs need to make educated and informed business and financial decisions.*

Jackie's Top 3 Priorities

1. Respond to entrepreneur's requests for help; determine what stage of the business cycle they are in, then customize a training program that addresses their specific needs.
2. Develop business and financial strategic plans in order to help entrepreneurs grow their business and increase profits.
3. Listen and Learn from the local community and local entrepreneurs; as well as State, National and Global partners.

See the following page for an example of a company that demonstrates the importance of identifying and focusing on the three key areas in your business and fully understanding your lead measures.

Delivering Happiness: A Path to Profits, Passion and Purpose

by Tony Hsieh (Shay) CEO of Zappos.com

Book Review by Jackie Jacobi – January, 2010

Zappos.com began operations in 1999 and had a goal of reaching one billion dollars in sales by 2010. Zappos reached the \$1 billion in sales volume in 2008, two years ahead of schedule. Sales grew mostly by repeat customers and word of mouth.

“Looking back it was our commitment to improving our customer service and company culture that was the reason we reached our goal early. **We invested our time, money and resources in three key areas**”, says Tony Hsieh.

1. **Customer Service** – this will build our brand and drive word of mouth traffic (at one point money was so tight they dropped all advertising and focused 100% on providing a unique customer service experience and it worked).
2. **Culture** – which would lead to the formation of our core values (go to www.zappos.com and scroll to the bottom of the page and click on *about*; then *unique culture* to see their core values).
3. **Employee Training and Development** – which would eventually lead to the creation of our pipeline team.. (all new hires go through a four week paid training program. After the four weeks training they are given the opportunity to quit and receive \$2,000 if they feel like they do not fit the Zappos culture, very few have taken them up on the \$2,000 offer. Zappos consistently makes *Fortune* magazines annual *Best Companies to Work for* list.)

We continue to believe that our **Brand, Culture** and **Pipeline** are the only competitive advantage we will have in the long run. Everything else can and eventually will be copied. We’ve aligned the entire organization around one **Mission: to provide the best customer service possible. Internally we call this our WOW philosophy.**

Zappos has created a **Cultivating the Culture** book that is written by all the employees; there is a new unedited edition every year. Employees answer this question. “What do you think Zappos culture is and what does it mean to you?”

In November 2009, Zappos.com, Inc. was acquired by Amazon.com in a deal valued at \$1.2 billion on the day of closing. Every entrepreneur can benefit from reading this book and applying the lessons learned by Tony Hsieh

Tony says that Culture is a lag measure because it is the employees that create the company culture by providing exceptional customer service. The lead measure is the employee training and development (see the following page for a worksheet to help you determine your lead and lag measures).

FOCUS and Execution

Overview: <http://www.4dxbook.com/blog/category/4dx-videos/>

Intensity is the Price of Excellence – Warren Buffet

The following question was asked in a meeting that Warren Buffet and Bill Gates were attending. “What one factor do you think got you where you are today?” Warren answered first and he said **FOCUS**. Bill answered second and he said **FOCUS**. This must be extremely important information if the two richest men in America agree that **FOCUS** is what got them to the top! So what is **FOCUS**?

- **Single minded concentration on one goal**
- **Discipline and passionate devotion**
- **Depth of commitment and integrity**

Focus on results, not activities!

Successful Businesses slim down to a few key simple goals with clear targets and careful follow-through.

EXAMPLE

1. Goal is to net _____ a month.

What needs to happen to hit this target?

- Establish Business Operational Systems that maximize efficiency (time and people management) and financial resources (control expenses).
- Act on the Lead Measures (what drives profits?). Lead measurers are different for every goal and are not always that easy to identify and track. Lead measures must be influence able and predictive.
Lag Measures – Measure the goal
Lead Measure - Something that leads to the goal (predictable)
 - Something we can influence (influence able)

Act on the Lead Measures

Make the Goal a Game and Keep Score!
Focus and Execute!

Example: Weight Loss

Score Card	Score Card
Lag Measure – measures the goal (the result of the action from the Lead Measure)	Lead Measure – something that leads to the goal, and also something we can influence. Both influence able and predictable.
 Weight (pounds)	Diet (number of calories) Exercise (miles run, etc.)

Focus on the **Lead Measure** not the Lag Measure! (The data is easier to get for the Lag Measure.)

The lead measures are the 80/20 activities. Pareto's Law says 80% of the results come from 20% of the activities.

Create a Score Card for you Business Goal

Business Name _____
Business Goal _____
Date: _____

Score Card	Score Card
Lag Measure – measures the goal (the result of the action from the Lead Measure)	Lead Measure – something that leads to the goal, and also something we can influence. Both influence able and predictable.
 <p>Goal is to net _____ per month.</p>	<p>Control Expenses Sam Walton says: "Control your expenses better than the competition. This is where you can always find the competitive advantage."</p> <p>Understand the Impact of Cutting Costs-How? Develop a Ratio Analysis Spreadsheet</p> <p>Price Products/Service for Profit – How?</p> <ul style="list-style-type: none"> • Job Costing • Understand the Key Drivers of Net Profit and Cash Flow

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