

A Timeline for Opening a Business*

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The amount of time it takes to open a business depends on the nature of your business idea. Assuming you are starting from scratch and you want your business to be as comprehensive as possible, you should begin planning your business at least 12 months from your anticipated start date. This will allow ample time to research your business idea, obtain permits and licenses and organize the legal structure of your business.



Start-up timelines vary from business to business.

A Year before Start-Up

Twelve months before your start date should be plenty of time to conduct research about your business. During this time, you will uncover what it will take to turn your idea into an operational business. Schedule meetings with business professionals such as attorneys, accountants and bankers. Inquire about licensing and permit requirements for your type of business, tax implications and start-up costs. One year before start up you should also decide on a business location and visit prospective properties. At least one year before your anticipated start-up date you should also begin writing a business plan. A business plan is a document that outlines the goals and objectives of your company. The plan will allow you to streamline your business idea and organize a budget. If you need funding for your business, most creditors will want to view your business plan.

Nine Months from Start-Up

Nine months before your start date you should apply for local licenses and permits with the appropriate city and state government. In most cases, you will need a general business license that can be obtained from the city where your business is located. If your type of business is federally regulated, such as liquor or lottery sales, you will need a federal license. If you perform professional services you will need an occupational license. Professional services include insurance sales, accounting or real estate.

Six Months from Start-Up

Six months prior to start-up you should apply for the appropriate permits and licenses. If you plan to operate as a sole proprietorship, apply for a fictitious business name or “doing business as” name. If you plan to operate as a limited liability company or corporation, you must file an “articles of organization” or “articles of incorporation” and pay the necessary filing fees. Six months from start-up you should also begin to execute your marketing plan. Arrange for a business listing in your local phone directory. Open a business bank account and begin applying for business loans. If you will have employees, obtain an employer identification number with the IRS.

Three Months from Start-Up

Three months before your anticipated start date, you should have most of the legal necessities taken care of. Now is the time to make equipment and inventory purchases and arrange for delivery. Order office products and supplies and establish a merchant account to accept credit card payments. Write out job descriptions and place job postings to attract qualified employees. A week or two before you open your doors, start setting up your office and plan an open house. Hang “grand opening” signs if you have a retail business and place announcements in local business publications and newspapers. Contact friends, family members and business associates and let them know you are open for business.

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