Starting A Business in Worcester

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Worcester Business Resource Alliance

Worcester Business Resource Alliance

Ascentria Care Alliance
Formerly Lutheran Social Services of New England

INTERISE
where small business goes to grow

SBA U.S. Small Business Administration

Massachusetts Small Business Development Center Network
MSBDC

MassMEP
Manufacturing Extension Partnership

WCTI
WORCESTER CLEAN TECH INCUBATOR

GLOBAL @BECKER

Center for Women & Enterprise

WORKFORCE CENTRAL CAREER CENTER

WORCESTER PUBLIC LIBRARY
Your Open Door to Opportunity

SMOC Financial Services

The VentureForum
Inspiring Innovative Entrepreneurs

WORCESTER REGIONAL FOOD HUB

The City of WORCESTER

Worcester Roots

idea
WORCESTER IDEA LAB

WBDC
Worcester Business Development Corporation

WORCESTER REGIONAL Chamber of Commerce

SCORE
FOR THE LIFE OF YOUR BUSINESS

MGCC
Massachusetts Growth Capital Corporation

Overview

The 10 Steps to Success:

ONE	Gather Information & Self-Assessment
TWO	Create a Business Plan
THREE	Register your Business Name and Legal Structure
FOUR	Assemble Financing
FIVE	Explore Incentive Programs
SIX	Select a Business Site
SEVEN	Complete Licensing and Permitting Requirements
EIGHT	Arrange to Pay your Taxes
NINE	Address Employer Responsibilities
TEN	Learn about Ongoing Services

STEP ONE

Gather Information & Self-Assessment

City of Worcester
455 Main Street, 4th Floor, Worcester, MA 01608
(508) 799-1400 www.worcesterma.gov

Worcester Public Library
3 Salem Square, Worcester, MA 01608
(508) 799-1655 www.mywpl.org

Small Business Administration – Boston District
10 Causeway Street, Room 265, Boston, MA 02222
(617) 565-5590 www.sba.gov

Worcester Business Resource Alliance
www.wbra.wordpress.com

STEP TWO Create a Business Plan

Why should you create a business plan?

- Clearly define your value proposition & differentiation
- Set goals, timelines, and benchmarks
- Perform industry/market research
- Analyze the competition
- Define the ownership, management, and organizational structure
- Create a marketing plan to acquire customers
- Identify sources and uses of funds
- Evaluate feasibility of success
- Think about possible exit strategies

A business plan is often required for loan applications

Many of the Worcester Business Resource Alliance organizations can provide feedback and assist with the development of your business plan.

STEP THREE

Register Your Business Name and Legal Structure

What is the ownership structure of the business?

- **Sole Proprietorship**
- **Limited Liability Company**
- **Partnership / Limited Partnership**
- **Corporations**
- **S Corporations**

How do the entities differ?

- Number of owners
- Tax classification
- Liability exposure

Depending on the type of ownership, different requirements may need to be addressed:

Business Certificates:

Office of the City Clerk
City Hall, Room 206
http://www.worcesterma.gov/city-clerk/certificates-licenses/business-certificates

Corporate Filings:

Secretary of the Commonwealth
One Ashburton Place, 17th Floor, Boston
(617) 727-9640 www.sec.state.ma.us/cor/

STEP FOUR Assemble Financing

Develop a relationship with your local bank:

- Banks typically provide the lowest cost of capital
- Business that do not require financing still need transactional accounts

Speak to a Commercial Loan Officer about your needs:

- Term Loans, Lines of Credit, Contract financing, Real Estate / Equipment Loans, etc.
- Credit and collateral will be important for bank loans

Have you been denied conventional financing?

Non-profit / alternative lenders:

WORCESTER REGIONAL Chamber of Commerce

MGCC Massachusetts Growth Capital Corporation

SMOC Financial Services

Ascentria CARE ALLIANCE Formerly Lutheran Social Services of New England

The SBA does not lend directly to businesses, but it has a multitude of programs administered through local lending partners.

SBA U.S. Small Business Administration

LINC

STEP FOUR Assemble Financing

The City *of* WORCESTER

MICROLOAN PROGRAM

MISSION:
To assist in the creation of new small businesses and expansion or retention of existing small businesses by providing short- and long-term, fixed-rate, low-interest, gap financing loans to qualified borrowers.

APPROVED USES OF FUNDS:

- Working Capital
- Purchase of Equipment
- Purchase of Inventory
- Renovations / Rehabilitation

LOAN AMOUNTS:
Loans typically range from $10,000 to $25,000.

TERM:
Amortization periods may range from one (1) to ten (10) years.

FUNDING SOURCE:
HUD Community Development Block Grant

- Federal requirements apply
- Funding for the program is limited and subject to availability.

STEP FIVE Explore Incentive Programs

The City of WORCESTER

FAÇADE PROGRAM

MISSION:
To leverage private investment in the physical and aesthetic improvement of commercial properties with first floor/street-level storefronts and enhance the attractiveness and economic vitality of targeted areas within the city of Worcester.

ELIGIBLE ACTIVITIES:

- Lighting
- Signage
- Windows
- Doors
- Awnings
- Painting
- Entryways

FUNDING AMOUNT:

- 75% of total project cost
- Ranges from $15,000 - $30,000 depending on location

FUNDING SOURCE:
HUD Community Development Block Grant

- Federal requirements apply
- Funding for the program is limited and subject to availability.

STEP FIVE Explore Incentive Programs

…continued

Façade Project Example: 455 Pleasant Street

Before

After

STEP SIX Select a Business Site

Location is a key factor in the success of your business. You should consider your needs, budget, and target market when choosing a site for your new business.

Site Search Assistance

Administered by the City's Business & Community Development Division, this program is designed to identify available land and building space in coordination with local real estate professionals and property owners.

For more information contact:

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508-799-1400 x31420

Home Occupations

Are you interested in operating a business out of your home?

- Home occupations are allowed as accessory uses in residential districts, subject to certain conditions and limitations. *Consult the Zoning Ordinance, Article IV, Section 8.*

STEP SEVEN Complete Licensing and Permitting Requirements

License Commission

- Liquor Licenses
- Common Victualer (Food)
- Sidewalk Cafés
- Entertainment
- Automatic Amusement
- Pool Tables / Bowling Alleys
- Newsracks

Zoning Board Of Appeals

- Special Permits
- Variances

Inspectional Services

Inspections

- Building
- Health

Zoning Determinations

Permits / Licenses

- Occupancy
- Building
- Electrical
- Plumbing
- Mechanical
- Gas
- Signs
- Food Establishments
- Food Trucks
- Body Art Facilities
- Caterers
- Tanning Facilities
- Tobacco sales

Police Licensing Unit

- Liveries / Taxis
- Hawkers & Peddlers
- Pawnbrokers
- Used Car Sales
- Fortune Tellers

Fire Department

- Auto Body Garages
- Car washes
- Fire alarm / sprinkler installations / inspections

*****In addition to these local authorities, some operations may have state and/or federal license requirements*****

STEP EIGHT Arrange to Pay Taxes

Massachusetts Department of Revenue

200 Arlington Street, Chelsea
(617) 887-6367 www.mass.gov/dor/business

- Sales / Use Tax
- Business Income
- Employment Tax
- Excise Tax

The DOR periodically hosts Small Business Workshops to provide information and to answer questions about the state tax environment.

Internal Revenue Service

120 Front Street, Worcester
(508) 793-8227
www.irs.gov/business

- Federal Employer Identification Numbers (EINs)
- Income Tax
- Employment Tax
- Excise Tax

City of Worcester

Some businesses are responsible for paying local taxes.

- Real Estate Property Taxes
- Business Personal Property Taxes

Rates and payment methods can be found on the **City Assessor's** webpage:
http://www.worcesterma.gov/finance/taxes-assessments

STEP NINE Address Employer Responsibilities

Insurance

Workers' Compensation

State law requires employers to carry workers' compensation insurance for their employees, including family members.

Unemployment Insurance

Employer contributions finance the state's unemployment compensation fund, which provides insurance benefits to eligible, temporarily unemployed workers.

For more information about these two responsibilities, visit the state's Executive Office of Labor and Workforce Development webpage: www.mass.gov/lwd

Consult your local insurance agent about other policies and coverage that may be important to protect you and your business.

Department of Revenue

In addition to the **employment tax** referenced previously, employers have the following responsibilities:

- Income Tax Withholding
- Annual Wage & Tax Statements (W-2)
- Wage Reporting

In some cases, employers may also have a role in enforcing child support. www.mass.gov/dor

Employee Relations

There are a variety of other required practices related to employees. These can include the hiring process, compensation and benefits, discrimination, termination of employment, and more.

A great resource for these topics is the *Society for Human Resource Management* www.shrm.org

STEP TEN

Learn about Ongoing Services

In addition to helping entrepreneurs make their business dreams a reality, many of the *Worcester Business Resource Alliance* organizations provide assistance to existing businesses who are facing challenges or looking to grow.

- **Continuing Education**
  - Workshops, seminars and programs
- **1-on-1 Assistance**
  - Consultation and mentoring
- **Professional Growth Opportunities**
  - Networking and referral groups
  - Local Business Associations