

## SEVEN

### Complete Licensing and Permitting Requirements

Many businesses require certain licenses and/or permits for their operation. Since different departments have different authorities, the City of Worcester has developed a Business Guide to help direct new business owners to the appropriate office for specific licensing and permitting processes. To obtain this guide, please contact the Business & Community Development Division at 508-799-1400.

Most applications for permits and licenses can be found by contacting the following departments, or visiting their webpages:

- **City of Worcester - Department of Inspectional Services**  
25 Meade Street, Worcester, MA 01610  
(508) 799-1198, [www.worcesterma.gov/inspections](http://www.worcesterma.gov/inspections)
- **City of Worcester - Division of Planning and Regulatory Services**  
455 Main Street, 4th Floor, Worcester, MA 01608  
(508) 799-1400, [www.worcesterma.gov/development/planning-regulatory](http://www.worcesterma.gov/development/planning-regulatory)

Depending on the business's operations, the licensing and/or permitting requirements may be at the state or federal level. If you are not sure where to find the requirements, contact the Business & Community Development Division at 508-799-1400.

## EIGHT

### Arrange to Pay your Taxes

Several types of taxes may be levied on businesses by the local, state, and federal governments. As you start your business, it is important to be aware of your tax obligations at each stage of your development process.

When starting a business, you must register with the Commonwealth of Massachusetts as a taxpayer. For more information about registering for and paying state taxes, contact the Department of Revenue at:

- **Massachusetts Department of Revenue**  
200 Arlington Street, Chelsea, MA 02150  
(617) 887-6367, [www.mass.gov/dor/business](http://www.mass.gov/dor/business)

All businesses, with the exception of sole proprietors who do not file employment, excise, alcohol, tobacco, or fire arm tax returns, must apply for a Federal Employer Identification Number (EIN) with the Internal Revenue Service (IRS). For more information contact:

- **Internal Revenue Service**  
120 Front Street, Worcester, MA 01608  
(508) 793-8227, [www.irs.gov/business](http://www.irs.gov/business)

You may also be responsible for paying **local taxes** if you own real estate or business personal property. For more information on local taxes contact the **City of Worcester's Assessing Division** at (508) 799-1095 or visit the website at [www.worcesterma.gov/assessing](http://www.worcesterma.gov/assessing)

For questions on payments and balances, contact the city's **Treasurer & Collector of Taxes** at (508) 799-1098. For additional information, you can also visit the official City website at [www.worcesterma.gov](http://www.worcesterma.gov)

## NINE

### Address Employer Responsibilities

Hiring employees is a big step for any business. Below are some necessary steps that you may have to take when you begin to hire employees.

As an employer, you must submit state income tax withholdings to the Department of Revenue. You are also responsible for employment tax. For more information contact:

- **Massachusetts Department of Revenue**  
(617) 887-6367, [www.mass.gov/dor/business](http://www.mass.gov/dor/business)

Your business is responsible for contributing unemployment insurance to the Commonwealth's Division of Unemployment Assistance. For more information contact:

- **Massachusetts Department of Labor and Workforce Development - Division of Unemployment Assistance**  
(617) 626-5050, [www.mass.gov/eolwd](http://www.mass.gov/eolwd)

All employers in Massachusetts are required by state law to carry workers' compensation insurance. Consult your local insurance agent or contact:

- **Massachusetts Department of Industrial Accidents**  
(617) 727-4900, [www.mass.gov/eolwd](http://www.mass.gov/eolwd)

The Business Services Unit of the city's Workforce Central Career Center has a variety of resources particularly related to recruitment and retention of employees. To explore these services, please contact:

- **Workforce Central Career Center**  
(508) 799-1600, [www.workforcecentralma.org](http://www.workforcecentralma.org)

For other general information about best practices with employee relations and other human resource considerations, you should visit the **Society for Human Resource Management** at [www.shrm.org](http://www.shrm.org)

## TEN

### Learn about Ongoing Services

This guide has highlighted numerous resources, agencies, and organizations that will continue to be valuable to you as you grow and build your business. The Worcester Business Resource Alliance (WBRA) works to coordinate many of these organizations and the services they offer. For more information about ongoing services, please explore the following organizations:

- **INTERISE**  
(617) 350-6334, [www.interise.org](http://www.interise.org)
- **VentureMeets**  
<http://venturemeets.com>
- **Worcester Business Resource Alliance**  
[www.wbra.wordpress.com](http://www.wbra.wordpress.com)
- **Worcester Local First**  
(508) 930-8675, [www.worcesterlocalfirst.org](http://www.worcesterlocalfirst.org)
- **Worcester Regional Chamber of Commerce**  
(508) 753-2924, [www.worcesterchamber.org](http://www.worcesterchamber.org)

# BUSINESS STARTUP GUIDE



**Congratulations on your decision to explore a business venture in Worcester!**

The City of Worcester and the Worcester Business Resource Alliance (WBRA) are pleased to offer this 10-step guide to help entrepreneurs navigate the various steps recommended to successfully start a small business.

Recognizing the complexity of capturing all possible scenarios related to unique business ventures, this document provides a general guide on the most relevant resources for each step of the process.



*Edward M. Augustus, Jr.*  
*City Manager*

City of Worcester  
Executive Office of Economic Development  
Business & Community Development Division  
455 Main Street, 4<sup>th</sup> Floor  
Worcester, MA 01608  
Phone: (508) 799-1400  
[www.worcesterma.gov](http://www.worcesterma.gov)

# The 10 Steps to Success:

## ONE

### Gather Information & Self Assessment

Have you started researching what's involved with starting and managing a business? There is a wealth of publications and workshops about the requirements, the advantages, and disadvantages of being a small business owner. Here are some organizations where you can research and learn about the process:

- **City of Worcester - Business & Community Development Division**  
455 Main Street, 4<sup>th</sup> Floor, Worcester, MA 01608  
(508) 799-1400 [www.worcesterma.gov](http://www.worcesterma.gov)
- **Small Business Administration – Boston District**  
10 Causeway Street, Room 265, Boston, MA 02222  
(617) 565-5590 [www.sba.gov](http://www.sba.gov)
- **Worcester Public Library**  
3 Salem Square, Worcester, MA 01608  
(508) 799-1655 [www.worcpublib.org](http://www.worcpublib.org)

After you have learned about the process of starting and managing a business, including the advantages and disadvantages, you should decide whether small business ownership is the right path for you. If so, move on to Step 2!

## TWO

### Create a Business Plan

A formal business plan is essential in order to position your business for success. A business plan is typically required for any loan application and should demonstrate to potential financiers that the company has long term profit-making potential with positive cash flows. After reading your business plan, anyone should be able to understand your value proposition to potential customers, and how the business will operate. The following are a number of local resources that you should investigate as you develop your business plan:

- **Center for Women & Enterprise**  
50 Elm Street, Second Floor, Worcester, MA 01609  
(508) 363-2300 [www.cweonline.org](http://www.cweonline.org)
- **Massachusetts Small Business Development Center at Clark Univ.**  
125 Woodland Street, Worcester, MA 01610  
(508) 793-7615 [www.clarku.edu/offices/sbdc](http://www.clarku.edu/offices/sbdc)
- **SCORE, Counselors to America's Small Business**  
446 Main Street, Suite 200, Worcester, MA 01608  
(508) 753-2929 <https://worcester.score.org>

If you set up an appointment with any of the above referenced organizations, it is best if you bring a draft of your business plan for productive feedback.

To find templates and guidance for creating your business plan, check out the WBRA website at [www.wbra.wordpress.com/resources](http://www.wbra.wordpress.com/resources)

## THREE

### Register your Business Name and Legal Structure

There are important legal issues to consider before naming and incorporating a business. Most importantly, different business structures may have different registration requirements, liability exposures, and tax obligations.

The most common types of business structures include:

- Sole Proprietorships
- Partnerships
- Limited Liability Companies
- Corporations
- S Corporations

*Depending on the structure you choose, you may need to register with the city, the state, or sometimes both.*

- **City of Worcester - Office of the City Clerk (Business Certificates)**  
City Hall, Room 206, 455 Main Street, Worcester, MA 01608  
(508) 799-1121 [www.worcesterma.gov](http://www.worcesterma.gov)
- **Secretary of the Commonwealth - Corporations Division**  
One Ashburton Place, 17th Floor, Boston, MA 02108  
(617) 727-9640 [www.sec.state.ma.us/cor/](http://www.sec.state.ma.us/cor/)

## FOUR

### Assemble Financing

Once you have registered your business, you will be able to open a business bank account. This step is essential to keep your business transactions separate from any personal transactions. In your business plan, you should have a financial section that outlines your sources and uses of funds (i.e. startup expenses).

Very often, a new business may need a loan to address the short and long-term needs of the business. **First, you will want to contact your local bank or lending institution to explore financing opportunities.** If you are denied conventional financing, below is a list of alternative financial institutions and loan programs:

- **City of Worcester, Business & Community Development Division**  
(508) 799-1400—[www.worcesterma.gov](http://www.worcesterma.gov)
- **MassDevelopment**  
(508) 363-2799—[www.massdevelopment.com](http://www.massdevelopment.com)
- **Massachusetts Growth Capital Corporation**  
(617) 523-6262—[www.massgcc.com](http://www.massgcc.com)
- **SMOC Financial Services @ The MLK, Jr. Opportunity Center**  
(844) 766-2737—[www.mlkj-oc.org](http://www.mlkj-oc.org)
- **RCAP Solutions**  
(800) 488-1969—[www.rcapsolutions.org](http://www.rcapsolutions.org)
- **Small Business Administration (SBA)**  
The SBA does not lend directly to businesses, but it has a multitude of programs administered through local lending partners. Visit their web site to find a lending partner near you. [www.sba.gov](http://www.sba.gov)

## FIVE

### Explore Incentive Programs

The City of Worcester and Worcester Business Resource Alliance offer a wide array of business assistance programs that may be applicable to your business as you select a site or work to improve your existing location. Programs for start-ups and small businesses include:

- **Façade and Awning Incentive Grant Program:** a deferred loan that may be forgiven as a grant to leverage private investment in the physical and aesthetic improvement of commercial properties.
- **Economic Development Incentive Program:** tax incentive program designed to foster job creation and stimulate business growth throughout the Commonwealth (significant private investment is required).

For more information, contact the **City of Worcester, Business & Community Development Division** at (508) 799-1400 [www.worcesterma.gov](http://www.worcesterma.gov)

In addition to these highlighted programs, you are encouraged to explore other local, state, and federal programs that exist.

## SIX

### Select a Business Site

Choosing a strategic location is a key factor in the success of your business. You must consider your needs, budget, target market as well as zoning implications when choosing a site for your business.

**Zoning:** The city of Worcester, like any municipality, has a zoning ordinance. Your business must not violate any of the zoning ordinance provisions. This includes **home occupations**. For a zoning determination, you should call the Department of Inspectional Services at (508) 799-1242. The Business & Community Development Division also administers a **Site Search Assistance Program** to help you find an appropriate location that meets your needs. To receive a site search inquiry form please contact:

- **City of Worcester, Business & Community Development Division**  
(508) 799-1400 [www.worcesterma.gov](http://www.worcesterma.gov)

Would your business benefit from a **co-working space** or **business incubator**?

These types of facilities are often an economical solutions for budding enterprises that want professional space, but cannot afford to lease private space. The facilities are typically more membership-based and the space is shared among other entrepreneurs. Here are some organizations in the city that operate co-working/incubator spaces:

- **Running Start**  
95 Prescott Street, (774) 312-7569, <http://coworkinginworcester.com>
- **Innovation Center**  
20 Franklin Street, [www.innovationworcester.com](http://www.innovationworcester.com)
- **Clearly Coworking**  
474 Grove Street, (508) 556-0031, [www.clearlycoworking.com](http://www.clearlycoworking.com)
- **Mass. Biomedical Initiatives**  
60 Prescott Street, (508) 797-4200, <http://massbiomed.org>