



Starting A Business in Worcester



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The 10 Steps to Success:

ONE

Gather Information &
Self-Assessment

SIX

Select a Business Site

TWO

Create a Business Plan

SEVEN

Complete Licensing and
Permitting Requirements

THREE

Register your Business
Name and Legal Structure

EIGHT

Arrange to Pay your Taxes

FOUR

Assemble Financing

NINE

Address Employer Responsibilities

FIVE

Explore Incentive Programs

TEN

Learn about Ongoing Services



Worcester Business Resource Alliance





STEP

ONE

Gather Information & Self-Assessment



City of Worcester - Division of Business Assistance
455 Main Street, 4th Floor, Worcester, MA 01608
(508) 799-1400 www.worcestermass.org



Worcester Public Library
3 Salem Square, Worcester, MA 01608
(508) 799-1655 www.worcpublib.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/resources

Why should you create a business plan?

- Clearly define your value proposition & differentiation
- Set goals, timelines, and benchmarks
- Perform market research
- Identify your target market and create a marketing plan
- Analyze the competition
- Define the ownership, management, and organizational structure
- Evaluate progress and feasibility of success
- Formulate an exit strategy

**A business plan, or strategic 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.

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/business-certificates>



Corporate Filings:

Secretary of the Commonwealth

One Ashburton Place, 17th Floor, Boston

(617) 727-9640 www.sec.state.ma.us/cor/



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:

- A variety of loan products exist:
- Term Loans, Lines of Credit, Contract financing, Real Estate / Equipment Loans, etc.

Have you been denied conventional financing?

Non-profit / alternative lenders:



The SBA does not lend directly to businesses, but it has a multitude of programs administered through local lending partners. Visit their website to find a lending partner near you.

www.sba.gov



City of Worcester – Business & Community Development Division



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 LOAN FUNDS:

- Working Capital
- Purchase of Equipment
- Purchase of Inventory
- Construction / Rehabilitation
- Remediation
- Pre-development activities
(for new construction only)

LOAN AMOUNTS / TERM:

Loans typically range from \$5,000 to \$10,000. Amortization periods may range from one (1) to ten (10) years.

FUNDING SOURCE:

Funding for the programs is subject to availability and awarded on a first come, first served basis.

Funds are provided through the City of Worcester’s Community Development Block Grant (CDBG) funds, which are allocated by the United States Department of Housing and Urban Development (HUD). Applicants must meet and adhere to Federal requirements and compliance issues.

City of Worcester – Business & Community Development Division



Façade & Awning Incentive Grant 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.

FUNDING AMOUNT:

- The maximum amount allowed per project located in the Commercial Area Revitalization District (CARD) is \$15,000, not to exceed 75% of the total project cost.
- The maximum amount allowed per project **outside** the CARD is \$10,000 not to exceed 75% of the total project cost.
- For properties in the downtown, the maximum per project is \$25,000, not to exceed 50% of the total project cost.

ELIGIBLE ACTIVITIES:

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

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...continued

Façade Project Example: 58 Millbury Street



Before



After

- You are encouraged to explore other incentive programs, both private and public, that may be available for your specific business venture.

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 visit:

www.worcestermass.org/business-development



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.*
- Some business uses may be allowed in specific residential zones with a Special Permit. *Consult the Zoning Ordinance, Article IV, Section 2.*

***For zoning / land use interpretations, please call Inspectional Services at 508-799-1714**



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

Permits / Licenses

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

Zoning

Determinations

Police Licensing Unit

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

Fire Department

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

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

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.

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/assessing>

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





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

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

