

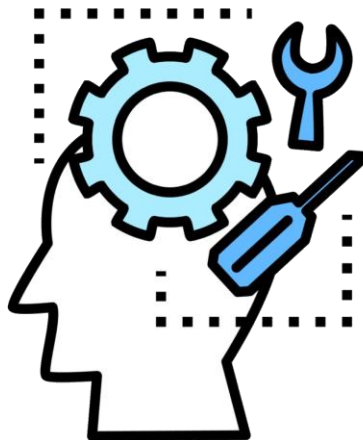


Northern Lakes
ECONOMIC ALLIANCE

Entrepreneurial Toolkit

Antrim County · Charlevoix County
Cheboygan County · Emmet County

August 2018



**Entrepreneurial
Toolkit**

Table of Contents:

Introduction	2
Developing a Business Idea	2
Starting or Acquiring	3
Which Business is Right For You	4
Amplify Your Network	5
Put Your Idea to Work	7
Demographics & Market Research	8
Demographics	8
Market Research	9
SBDC Resources	10
Company Description & Product/Service Line	11
Company Description	11
Product/Service Line	11
Financial Projections	12
SMART Goals	13
Access to Capital & Real Estate	14
Access to Capital	14
Real Estate	18
Marketing & Sales	18
Media	22
Legalize Your Business	24
Register Your Business Name	25
Federal Taxes with the IRS	25
State Taxes with the Michigan Department of Treasury	25
Insurance	26
Selling Your Business?	31
Additional Resources	31
Conclusion	32
Contributors	32



Introduction

Thank you for having an interest in starting or acquiring a business in Antrim, Charlevoix, Cheboygan or Emmet County! You are at the forefront of economic growth in our area. This toolkit is an accessible step by step plan for emerging or developing enterprises in our local communities and can be viewed as a blueprint for your business that helps organize your thoughts. No one likes to be stuck at a blank page with a great idea, not knowing where to begin.

The entrepreneurial journey is often a series of juggling acts that all require a certain level of expertise in a multitude of areas. The goal of this toolkit is to lead the entrepreneur through these areas and present them with the resources that will help do this.

Developing a Business Idea

Developing your idea into a viable product or service is the first step towards turning your business vision into reality. Basic research can help advance your idea, but this toolkit will help jumpstart your idea into a business—whether you want to open a manufacturing facility, restaurant, agricultural business, retail outlet or high-tech firm.

Below are a few resources for inventors looking to develop their idea into a product/prototype or receive patent or trademark rights to an established idea or product:

- [US Patent & Trademark Office](https://www.uspto.gov/) (<https://www.uspto.gov/>)
- [Lake Superior State University Product Development Center](https://www.lssu.edu/school-of-engineering-and-technology/product-development-center/) (<https://www.lssu.edu/school-of-engineering-and-technology/product-development-center/>): Bridging the gap from ideas to production for resource-limited businesses. Contact [Erik Becks](https://www.lssu.edu/product-development-center/staff/) (<https://www.lssu.edu/product-development-center/staff/>) for information on this great program.
- [Matt Yubas - Professional Consultant](http://www.mattyubas.com/) (<http://www.mattyubas.com/>): Has written numerous books discussing topics ranging from converting product ideas into product success to describing how to protect an idea before spending money on a patent.

Starting or Acquiring

Whether you are starting a business from the ground up or acquiring a business that is already established, there are numerous things you should consider when making this preliminary decision:

Starting a Business

Pros

Starting a business allows you to develop an idea that you have an invested interest in, into a viable business. This may also attribute to accumulated knowledge of the industry and target market.

Cons

Starting your own business involves a multitude of challenges that established businesses have already dealt with, including building a customer base, marketing, hiring employees, establishing cash flow, finding space and creating a reputation or track record.

Acquiring a Business

Pros

The operation has likely been proven to generate cash flow, an already established customer base, conducted financial projections, easier financing and the possibility of receiving valuable legal rights like patents and copyrights.

Cons

Acquiring a business is often more costly and can carry obsolete inventory, uncooperative employees and outdated distribution methods along with it.

- When acquiring a business, it is helpful to conduct a preliminary analysis that includes questions such as:
 - Why is the business for sale?
 - What is the perception of the industry?
 - What is the outlook for future?
 - Does or will the product line need to evolve over time?
 - Are the raw materials in abundant supply?
 - Will the market share remain in order to stay profitable?
- Potential buyers should identify the company's current or past reputation by accessing local chambers of commerce and talking with current customers, suppliers and vendors.

- Potential buyers should also consult with lawyers, bankers and accountants to perform due diligence on the prospective business.
- Find the business' legal history by talking with local business attorneys. In addition, review any related pending state and federal legislation, local zoning regulations and patent histories.
- More Information on purchasing an existing business can be found on the [SBA's buy an existing business or franchise](https://www.sba.gov/business-guide/plan-your-business/buy-existing-business-or-franchise) (https://www.sba.gov/business-guide/plan-your-business/buy-existing-business-or-franchise) page.

Which Business is Right For You

In addition to buying an existing business or starting one from the ground up, there are also other options available to you:

1. Home-based Business

<u>Pros</u>	<u>Cons</u>
<ul style="list-style-type: none"> ● Convenient. ● Ability to multitask and have more control over your schedule. ● Start-up costs are lower and no rent for space. 	<ul style="list-style-type: none"> ● Could possibly be lonely. ● There will be no walk-in traffic like a storefront has. ● Expansion can be very limited.

2. Buying a Franchise

<u>Pros</u>	<u>Cons</u>
<ul style="list-style-type: none"> ● Experience and training gained from working under the franchiser. ● Marketing and R&D has already been developed and proven. 	<ul style="list-style-type: none"> ● Unexpected or added expenses/fees. ● Having to adhere to rules and functions that you may not agree with.

3. Non-profit Organization

<u>Pros</u>	<u>Cons</u>
<ul style="list-style-type: none">• Possible state and federal tax exemption.• Members of the organization are protected from the liability from corporate debts and lawsuits.	<ul style="list-style-type: none">• All profits remain within the organization.• The nonprofit must focus on an educational or charitable cause.• A lot of paperwork needs to be filled out including applying and qualify for the (501)(c)(3) status.

Links to resources and information for nonprofits:

- [Michigan Nonprofit Association](https://mnaonline.org/) (https://mnaonline.org/)- Provides information and services for starting a nonprofit.
- [IRS Charities and Nonprofits Page](https://www.irs.gov/charities-non-profits) (https://www.irs.gov/charities-non-profits)- Tax information for charities and nonprofits
- [Michigan State University Non-profit Resource List](http://staff.lib.msu.edu/harris23/grants/znprofrg.htm) (http://staff.lib.msu.edu/harris23/grants/znprofrg.htm)

4. Online Business

<u>Pros</u>	<u>Cons</u>
<ul style="list-style-type: none">• Reach consumers all over the world 24/7.• Flexible work hours and location.• Much lower start-up costs.	<ul style="list-style-type: none">• Need to be self-motivated.• There is much greater competition on the internet.• Website needs to be bug-free and appealing to the eye-customers have a low tolerance for web problems.

Amplify Your Network

Making local connections with community members will help provide growing opportunities for your business. These opportunities range from learning about local tips and resources from entrepreneurs to receiving important counseling. Often, knowing the right contacts proves to be the biggest resource one can have. Attending events can also help establish and increase your customer base from promotion by word-of-mouth.

Continually attending networking and social events in your community will help create a positive reputation for yourself as someone who is interested and invested in growing the community. Possible organizations that typically host networking events as well as local chambers of commerce are listed below:

- [Northern Michigan Pitch Night Competitions](#)

(<https://www.northernlakes.net/upcoming-events/northern-michigan-pitch-night/>)

- [The Loft at Harbor Springs](https://www.harborspringsloft.work/) (<https://www.harborspringsloft.work/>)
- [Thrive 45](http://thrive45.org/) (<http://thrive45.org/>)
- [Tip of the Mitt SCORE](https://tipofthemitt.score.org/) (<https://tipofthemitt.score.org/>)
- [Michigan Economic Development Corporation Calendar of Events](https://medc.cvent.com/c/calendar/5c1513d0-7d28-476b-9761-03932f470427ts) (<https://medc.cvent.com/c/calendar/5c1513d0-7d28-476b-9761-03932f470427ts>)
- [Networks Northwest Events & Workshops](http://www.networksnorthwest.org/news-events/events/) (<http://www.networksnorthwest.org/news-events/events/>)
- [North Central Michigan College Events Calendar](http://www.ncmich.edu/community-events/event-calendar.html) (<http://www.ncmich.edu/community-events/event-calendar.html>)
- [Baker College Upcoming Events](https://www.baker.edu/about/get-to-know-us/events/) (<https://www.baker.edu/about/get-to-know-us/events/>)
- [Industrial Arts Institute News & Events](http://iaiworks.com/news/) (<http://iaiworks.com/news/>)
- [SCORE Upcoming Training & Workshops](https://www.score.org/content/take-workshop) (<https://www.score.org/content/take-workshop>)
- [Bellaire Chamber of Commerce](http://www.bellairechamber.org/) (<http://www.bellairechamber.org/>)
- [Elk Rapids Chamber of Commerce](http://www.elkrapidschamber.org/) (<http://www.elkrapidschamber.org/>)
- [Charlevoix Chamber of Commerce](http://www.charlevoix.org/) (<http://www.charlevoix.org/>)
- [Harbor Springs Chamber of Commerce](http://www.harborspringschamber.com/) (<http://www.harborspringschamber.com/>)
- [Boyne City Chamber of Commerce](http://www.boynechamber.com/) (<http://www.boynechamber.com/>)
- [Mackinaw City Chamber of Commerce](https://www.mackinawchamber.com/) (<https://www.mackinawchamber.com/>)
- [Cheboygan Chamber of Commerce](https://www.cheboygan.com/) (<https://www.cheboygan.com/>)
- [Indian River Chamber of Commerce](http://irchamber.com/) (<http://irchamber.com/>)
- [Petoskey Chamber of Commerce](http://www.petoskeychamber.com/) (<http://www.petoskeychamber.com/>)
- [Mancelona Chamber of Commerce](http://www.mancelonachamber.org/) (<http://www.mancelonachamber.org/>)
- [Central Lake Chamber of Commerce](http://www.centrallakechamber.com/) (<http://www.centrallakechamber.com/>)
- [East Jordan Chamber of Commerce](http://ejchamber.org/) (<http://ejchamber.org/>) (The Village of Ellsworth)



Put Your Idea to Work

Extensive research shows that the most beneficial way to begin developing your idea is to take the business model canvas approach. The Business Model Canvas is a great way to analyze your value proposition and also determine its viability in the early stages of the startup process. This is opposed to jumping right into developing the full, traditional business plan that takes hours to create and often leaves the entrepreneur at a stalemate, not knowing where to go next. This model is taught internationally and is an attractive option for anyone who prefers a leaner startup solution. We also recommend this method because it forces the entrepreneur to think about how different facets of their business will work together to deliver value to their customers. This model is shown below:

Business Model Canvas Information and Template:

- [Free Business Model Canvas Template](https://canvanizer.com/new/business-model-canvas) (https://canvanizer.com/new/business-model-canvas)

<p><i>Key Partners</i></p> <p>Are there any third parties or suppliers involved in your product or service. How does their integration affect your process and offering? Why do you need partners to develop and deliver your value proposition?</p>	<p><i>Key Activities</i></p> <p>What key activities are required for executing your value proposition? What activities are required for your channels, customer relationships and revenue streams? Why are these important?</p>	<p><i>Value Proposition</i></p> <div style="background-color: red; color: white; text-align: center; padding: 5px; margin: 10px 0;">Start Here</div> <p>How will you make your target market's life better? What problem does your idea have a solution for and how does it solve it? Does competition play a role in reaching your target market? What are the unique aspects of your idea/business that will create value greater than the competition?</p>	<p><i>Customer Relationships</i></p> <p>How much will you be interacting with your customers? How are you going to get, keep and grow your customer base? What are your customer's expectations? How are you going to control the relationship?</p> <ul style="list-style-type: none"> -Customer Support -Q&A 	<p><i>Customer Segments</i></p> <p>Research your demographic. Know the type of person you are trying to reach down to their gender, age, income, family and marital status. Why would they want to buy?</p> <ul style="list-style-type: none"> -Mass market -Niche market -Segmented/diversified
	<p><i>Key Resources</i></p> <p>What are the resources necessary for bringing your idea to life?</p> <ul style="list-style-type: none"> -Human capital -Financial assistance -Physical capital -Real estate -Intellectual-patents 		<p><i>Channels</i></p> <p>How are you going to reach your customers? Describe your distribution channels and pinpoint your marketing strategy.</p> <ul style="list-style-type: none"> -website/physical location -yelp/online advertisements -social media -B2B/B2C/sale to retailer/internet sales 	
<p><i>Cost Structure</i></p> <p>How much are you planning to spend to bring your idea to your customers? And on what? What are the most expensive aspects of your business? What are the most expensive key resources and key activities? Characteristics to include here are fixed costs, variable costs and economics of scale and scope. Include cost of buying, selling, managing and renovating. Understanding your fixed and variable expenses are essential.</p>		<p><i>Revenue Streams</i></p> <p>What will you be making your money from? How much are you expecting to earn each period? Will the revenue cover your overhead? What value is your customer paying for? What is your revenue model/strategy? This is different than pricing tactics.</p>		



Business Plan

A well structured plan is important for a successful presentation to potential funders. A business plan also helps the owner track progress toward stated goals, and is something that can be continually updated and presented to officers and other employees as they are added to your business. Further information on writing and organizing a business plan can be accessed from the following resources:

- [Business Plan Template](http://www.sba.gov/tools/business-plan/1) (http://www.sba.gov/tools/business-plan/1)
- [BPlans](https://www.bplans.com/) (https://www.bplans.com/)
- [SCORE](https://www.score.org/resource/business-plan-template-startup-business) (https://www.score.org/resource/business-plan-template-startup-business)



Demographics & Market Research

Demographics

A good business idea fills a need that exists in your selected market to targeted consumers. This is important in finding where to solidify your product or service placement. Knowing the demographic profile of potential customers is essential for properly evaluating a community/county for the best location of your business. Figure out who your business will serve, and try to create an overarching proposition that consumers can't find anywhere else. Determine what the everyday habits of your potential consumers are and how your product or service will be an asset to their daily life.

- [Demographics Now](http://dnow.galegroup.com/dnow/?p=DNOW&u=lom_accessmich) (http://dnow.galegroup.com/dnow/?p=DNOW&u=lom_accessmich) -Demographics Now is a great resource that is easy to access and use. Simply choose a location at the top of the webpage and then scroll down to demographics and run a summary report. You can also adjust the range that the system is pulling data from to either broaden or narrow your results.
- Another great resource for finding demographics is through the [MEDC Site Selection - Real Estate Database](https://www.michiganbusiness.org/site-selection/) (https://www.michiganbusiness.org/site-selection/), where you can easily search for cities, counties, metro areas and regions to narrow or broaden your search. In addition to accessing demographics and community profiles, breakdowns of

labor force, consumer expenditures, wages, businesses, and talent pool are also available. This allows the entrepreneur to analyze data needed to determine the true entrepreneurial climate in a chosen area.

A Simple breakdown of demographics by Site Selection (Real Estate Database tool from MEDC) for each county is below:

- [Emmet County](#)
(<https://www.zoomprospector.com/communities/mi/county/emmet/26047>)
 - [Antrim County](#)
(<https://www.zoomprospector.com/communities/mi/county/antrim/26009>)
 - [Cheboygan County](#)
(<https://www.zoomprospector.com/communities/mi/county/cheboygan/26031>)
 - [Charlevoix County](#)
(<https://www.zoomprospector.com/communities/mi/county/charlevoix/26029>)
-
- Antrim County- [Antrim County Regional Information and Demographics](#)
(<https://www.northernlakes.net/why-northern-michigan/regional-information-demographics/antrim-county/>)
 - Charlevoix County- [Charlevoix County Regional Information and Demographics](#)
(<https://www.northernlakes.net/why-northern-michigan/regional-information-demographics/charlevoix-county/>)
 - Cheboygan County- [Cheboygan County Regional Information and Demographics](#)
(<https://www.northernlakes.net/why-northern-michigan/regional-information-demographics/cheboygan-county/>)
 - Emmet County- [Emmet County Regional Information and Demographics](#)
(<https://www.northernlakes.net/why-northern-michigan/regional-information-demographics/emmet-county/>)

Market Research

Once you've solidified your understanding of the demographics within your county, compare your new enterprise to existing enterprises to highlight your strengths. Gathered details regarding on how-to produce, deliver, and market the product or service are important to include in this section. Determine how your product and/or service stands out compared to your competitors with competitive strategies, such as determining your weaknesses and strengths within the county you're entering. It is also important to develop your "buyer persona"- which includes selling who you and your brand are and having customers remember to do business with you again.

Your brand is going to live forever similar to a business plan. When you start developing, you put in all the elements that make it a viable idea along with the logo for what it stands for.

Brand positioning is not the same as a mission statement and it should include everything that your brand is representing. It is a key aspect of market research and is suggested to make it customer focused from day one to capture your potential target audience.

- Through the [MEDC Site Selection - Real Estate Database](https://www.northernlakes.net/why-northern-michigan/regional-information-demographics/emmet-county/) (<https://www.northernlakes.net/why-northern-michigan/regional-information-demographics/emmet-county/>), you can search for types of businesses in your desired area to help gauge the amount of competition. You can also search for consumer expenditures within your desired area to see what goods and services are in the highest demand.

SBDC Resources

The Michigan Small Business Development Center (SBDC) is an organization that provides no-cost one-on-one counselling services to small businesses and startups. In addition to counselling, the SBDC has access to a number of market research reporting tools. The types of market research reports that the SBDC is able to pull for startup and small business clients include:

- Industry information
- Demographics information for a specific area
- Psychographics information for a specific area
- Consumer expenditures for a specific area
- Traffic counts on major roads and highways
- Competitor lists
- B2B potential client lists
- Financials for benchmarking
- You can access the SBDC services and register for counselling at this link: <https://sbdcmichigan.org/>



Company Description & Product/Service Line

Company Description

In this section of the business plan, you will provide information regarding your potential target audience, mission statement, elevator pitch, how you plan to obtain startup funds, potential competition, and unique aspects of your business to sell yourself. Describe the need for your new enterprise. Investors don't invest in ideas, they invest in people.

- [Michigan Talent Connect](https://www.mitalent.org/) (https://www.mitalent.org/)
- [Michigan Works](http://www.michiganworks.org/) (http://www.michiganworks.org/)
- [MEDC Site Selection - Real Estate Database](https://www.michiganbusiness.org/site-selection/) (https://www.michiganbusiness.org/site-selection/): Access to the talent pool, labor force, consumer expenditures, and business competition in the desired county or region.
- **Position and Wage Information:** US Department of Labor-sponsored resource for occupational information.
 - [O*net OnLine](http://www.onetonline.org/find/) (http://www.onetonline.org/find/)

Product/Service Line

This section is where you describe the benefits of your product and/or service. Your product and/or service must have the ability to meet customers' needs in the area in which you are selecting. Briefly compare your product/service to your competition and mention any advantages you may have over other businesses.

- [Manta](http://www.manta.com/) (http://www.manta.com/): This is a nation-wide registry of businesses searchable by industry and location.
- [ThomasNet](http://www.thomasnet.com/) (http://www.thomasnet.com/): This provides product sourcing and supplier directory.



Financial Projections

Understanding cash flows and fixed and variable expenses are essential to the business plan. These projections help justify your business with potential figures to compare to the market. You want to win over investors with your plan and this section compiles a financial forecast to project your track to success. You also should mention the projected costs of making your product or providing your service, plus profit. Prices vary depending on your sales channel; if you sell directly to consumers and retailers/sellers, for example you'll have to charge the retailers less, so they can charge the same retail price you do and still make a profit. Pricing is an ongoing project but setting a strategy will help you set your benchmarks and goals.

Understanding your audience is a major part of computing financial projections. You'll need to determine if your first-time customers will be return customers and how the seasonality of Northern Michigan will affect your potential sales. Evaluate what the key indicators will be that describe your current and future financial standing; are you at a green, yellow or red light?

- Creditors and investors will want to see what you expect your company to be able to do within the next one to five years.
- Be consistent and summarize assumptions so readers are not left guessing
- Include a ratio and trend analysis for all of the financial statements (historical if applicable and prospective).
- **Cash Flow:** Displays operating, investing, and financing activities of your company by detailing money coming in and going out of your business.
- **Profit/Loss:** Shows your company's ability to generate a net profit (bottom line).
- **Balance Sheets:** Estimate resources your business will need, where they will be needed, and how they will be financed.
- **Break Even analysis:** Shows when your business will be able to cover all of its expenses and begin to make a profit. (Breakeven sales= Total Operating Expense/ Gross Margin Percent).
- **Financial projections and worksheets:**
 - Numerous excel templates including balance sheet, profit & loss statement, financial ratio, amortization schedule, and financial diagnostics.

- [Financial Projection Templates \(SCORE\)](https://www.northernlakes.net/business-assistance/business-planning-tools/#financialplanning)

(<https://www.northernlakes.net/business-assistance/business-planning-tools/#financialplanning>)

Financial projection worksheets tailored to specific startup businesses:

- [Business Specific Financial Projections \(SCORE\)](https://www.northernlakes.net/business-assistance/business-planning-tools/#financialplanning)

(<https://www.northernlakes.net/business-assistance/business-planning-tools/#financialplanning>)

SMART Goals

Having a balanced set of goals helps entrepreneurs measure their success and provide a direction and sense of purpose. They can be used as benchmarks to maintain focus throughout the ups and downs of being an entrepreneur and building your financial projections.

- S: Specific-goals should be defined by numbers
- M: Measurable-be able to track progress and measure success
- A: Attainable-goals that you can reasonably achieve
- R: Realistic-realistically reach goals without becoming a workaholic or a nightmare for your employees
- T: Timed- stopping points so success can be measured over a finite period of time
- Examples/Ideas:
 - Increase Sales by 20% by the year 2023
 - Complete a new website by _____
 - Launch your first product by _____



Access to Capital & Real Estate

Forecasting sales units entails making some educated guesses and should be based off the data you gathered in your market and competitive research. Your credit score is a crucial aspect to your startup's financial success. Banks consider your personal credit score because your new business doesn't have a track record yet. Banks look for management expertise and commitment and real-world factors that you bring to the table. Owners should generally contribute a minimum of 25-30% of the required capital.

Access to Capital

As an entrepreneur seeking startup capital, it's important to think about what the lender is considering during your interview with them. The 6 C's of credit simply describe the attributes they value in their borrowers that contribute to the borrower's willingness to repay and lender's level of acquired risk. They are listed below:

1. **Character:** A subjective analysis that determines whether or not you have the reputation to repay or not. Lenders use your personal credit report for this.
2. **Capacity:** Measures the borrower's ability to pay the loan by assessing their income to debt ratio.
3. **Capital:** What amount of capital does the borrower have to apply to the loan? For example, if the borrower has a lot of capital to put on as a down payment of a loan, a bank recognizes this as a way to decrease the chance of default.
4. **Collateral:** Gives the lender the assurance that if the borrower defaults on the loan, the lender can seize the collateral and sell to make up for the loss on the default.
5. **Conditions:** Refers to what the borrower intends to use the loan for. Banks want to see it being used for a specific purpose.
6. **Cash Flow:** Does the prospective borrower have the cash flow to repay the loan—considering the numerous other variable and fixed expenses they will incur? At the very least, does the borrower have financial projections that tell the borrower that they will have the cash flow to repay?

Traditional and Alternative lenders offer forms of debt financing and are listed in the table below:

Traditional Lenders	Contact Info
4 Front Credit Union (https://www.4frontcu.com/)	800-638-1182 (Direct you based on location)
Charlevoix State Bank (http://www.charlevoixstatebank.com/default.aspx?v=cb212192-7733-4b35-8fa2-e7209f19bbec)	Richard Christner 231-547-4411
Chemical Bank (http://www.chemicalbankmi.com/)	800-867-9757 (Direct you based on location)
Citizens National Bank (http://www.cnbismybank.com/business_banking.htm)	Petoskey: Joseph Daily 231-627-1964 Cheboygan: Bryan Kujawa 231-627-7711 Extension #2277 Indian River: Michelle Miller 231-238-8961 Mackinaw City: Nicole Drake 231-627-7111
Fifth Third Bank (https://www.53.com/wps/portal/smallbusiness)	Cynthia Lamberson 231-439-8500
Huntington National Bank (http://www.huntington.com/bas/HNB2200.htm)	Bob Needham 231-922-5622
PNC Bank (https://www.pnc.com/webapp/unsec/Homepage.do?siteArea=/pnccorp/PNC/Home/Small+Business)	Joanna Rautio 231-347-1951
Straits Area Federal Credit Union (http://www.mi-safcu.org/)	Cindy Harrison 800-337-9598
Alternative Lenders	Contact Info
Northern Initiatives (http://www.northerninitiatives.com/)	Chris Wendel 231-409-7889

Northern Shores Loan Fund (http://www.northernshoresloanfund.org/)	Cindy Hendrickson 231-347-6753
Venture North	Laura Galbraith 231-995-7110

[Michigan Certified Development Corporation \(MCDC\)](http://www.michigancdc.org/loan-programs)

(<http://www.michigancdc.org/loan-programs>): Michigan’s #1 SBA lending partner.

[Understanding small business needs and capital access](https://www.northernlakes.net/wp-content/uploads/2015/07/fs40-1306326829-81211.pdf)

(<https://www.northernlakes.net/wp-content/uploads/2015/07/fs40-1306326829-81211.pdf>): This report was published by Michigan State University Center for Community and Economic Development.

Great Lakes Energy Economic Development Loan Program



Great Lakes Energy Economic Development Loan Program is available to provide low-interest and zero-interest loans to promote economic development through job creation in or near rural areas served by Great Lakes Energy. Applicants are required to retain the professional economic development loan services of Northern Lakes Economic Alliance (NLEA) at their expense for loan application purposes. To learn more about this program contact the NLEA at 231-582-6482 or info@northernlakes.net.

- [Loan Guidelines](https://www.gtlakes.com/loan-guidelines/) (<https://www.gtlakes.com/loan-guidelines/>)

In addition to the standard bank loans and debt financing, there are many other forms of business financing that entrepreneurs need to be aware of:

- **Family and Friends:** Those who are supportive and willing to provide capital should be treated as creditors. This means that the financing agreement should include a payment plan and even interest over a time frame.
- **Equity financing:** A method of raising capital by selling company ownership to investors.
 - [Equity Financing and Dilution Calculator](http://www.ownyourventure.com/equitySim.html) (<http://www.ownyourventure.com/equitySim.html>): This tool helps

entrepreneurs understand the impact of raising money for an early stage venture.

- [Michigan Investment Network](https://www.michiganinvestmentnetwork.com/home) (https://www.michiganinvestmentnetwork.com/home): You can register as an entrepreneur, create a proposal and match with an investor with the hope of executing a binding contract.
- **Angel investors:** Involves acquiring capital in exchange for equity and/or convertible debt. Angel investors are willing to help you all across the state. Some of these include:
 - [Northern Michigan Angels - Traverse City](http://www.northernmichiganangels.com/) (http://www.northernmichiganangels.com/)
 - [Michigan Angel Fund](http://www.miangelfund.com/) (http://www.miangelfund.com/)
- **Crowdfunding:** This method involves raising small amounts of capital from a large number of investors. This has become an increasingly popular method of raising capital, especially in northern Michigan. The most popular crowdfunding sites include [Indiegogo](https://www.indiegogo.com/) (https://www.indiegogo.com/), [Kickstarter](https://www.kickstarter.com/) (https://www.kickstarter.com/), and [Rocket Hub](https://www.rockethub.com/funding) (https://www.rockethub.com/funding).
- **Small business grants:** Includes federal programs like Grants.gov and the Small Business Innovation Research. Grant monies are usually not available for new venture businesses, with a few exceptions of high technology businesses. You may find grant information at your local library or online:
 - [Grants.gov](http://www.grants.gov/) (http://www.grants.gov/)
 - [Catalog of Federal Domestic Assistance](https://www.cfda.gov/) (https://www.cfda.gov/)
 - [Northern Michigan Pitch Night Competitions](https://www.northernlakes.net/upcoming-events/northern-michigan-pitch-night/) (https://www.northernlakes.net/upcoming-events/northern-michigan-pitch-night/)
- [USDA](http://www.usda.gov/wps/portal/usda/usdahome?navid=GRANTS_LOANS) (http://www.usda.gov/wps/portal/usda/usdahome?navid=GRANTS_LOANS): Not just for Agriculture, the USDA provides a variety of funding opportunities.

SBA FAQs:

- The U.S. Small Business Association offers extensive information and articles regarding small business financing. A good place to start is in the site's [Frequently Asked Questions about Business Financing](https://www.sba.gov/sites/default/files/Finance-FAQ-2016_WEB.pdf) (https://www.sba.gov/sites/default/files/Finance-FAQ-2016_WEB.pdf) section.

Real Estate

Before purchasing your property for your business, learn some basics before venturing into an investment. Grabbing the first property you look at is not recommended because it “looks nice.” Give yourself a wide range of options and then narrow them down based on the goals you’ve set.

The [MEDC Site Selection - Real Estate Database](https://www.michiganbusiness.org/site-selection/) (https://www.michiganbusiness.org/site-selection/) lets you search for office, industrial or retail space that is either for lease or sale. You are able to filter the results to show spaces in a certain county or city/town.

For information regarding real estate, visit your local chamber to direct you to agents in your area.

A great alternative for someone who is looking for work space in Northern Michigan can join [The Loft](https://www.harborspringsloft.work/) (https://www.harborspringsloft.work/) in beautiful downtown Harbor Springs. The Loft is a coworking space that offers a supportive entrepreneurial climate. It includes a light, bright, casual office environment, excellent internet, a multifunction printer, scanner and copier, a main street business address and mail drop, community desks, collaboration areas, casual seating, outdoor seating, kitchenette and access to events, seminars, and trainings.



Marketing & Sales

Utilizing marketing and sales is necessary to determine where you are now in relation to where you want to be at. Together, they help identify needed resources to start and run your new enterprise. You want to make your price appealing to consumers and explain how it relates to competitors.

A smart pricing strategy includes the overall understanding of the market price. Market price is the average price charged by your competitors and the price at which their product or service is generally valued in the marketplace. It is important to understand the start up prices, the break-even point, and making a profit.

- **5 P’s of Marketing:**
 - **Product:** Describe product or service offered.
 - **Price:** Price strategies that will help you reach your target profit margin.
 - **Place:** Indicate where your business will sell its products or services and how they will get to consumers.
 - **Promotion:** Methods used to communicate the features and benefits of your product or services to your target customers.

- **People:** Decide sales strategy and the people who will provide sales and service to be used in marketing products and services to your customers.

Creating your brand image is the first step in marketing. You want to sell to your customers through your marketing message to sum up all the elements of your brand. The Marketing Plan helps address how you plan to market and communicate your product and service. The mediums that you plan to use for communications should be mentioned as well and how you plan to pay for them. Below are some resources to help brand and advertise your business:

Antrim County:

Name	Location	Contact
Team Ads (http://www.goteamads.com/)	Bellaire	888-774-9930
Bailey Design and Consulting	Bellaire	231-676-3299
Pro Image Design (http://proimagedesigninc.net/)	Rapid City	231-322-8052
The W Group (http://thewgroup.com/yhj)	Elk Rapids	616-291-1713
The Place, LLC (http://www.promoplace.com/theplace/)	Elk Rapids	231-264-5607
New Era Social Marketing (http://newerasocialmarketing.com/)	Kewadin	John: (231) 322-3001 Emily: (989) 714-0930
Eagle Eye Drone Service & Media Productions (https://www.eagleeyedroneservice.com/media-prod)	Kewadin	231-360-0636

Charlevoix County:

Charlevoix County News (http://www.charlevoixcountynews.com/)	Gaylord	989-732-8160
Charlevoix Courier (https://www.petoskeynews.com/charlevoix/)	Charlevoix	231-547-6558
Real People Media, Inc (http://www.realpeoplemedia.org/)	Charlevoix	231-838-6460
Francis Criqui & Associates, LLC	Charlevoix	517-518-1446
Harbor House Publishers (https://www.harborhouse.com/)	Boyne City	231-582-2814
Nickel Design, Inc (https://nickeldesigninc.com/)	Boyne City	231-582-9299
Boyne City Gazette (http://www.boynegazette.com/)	Boyne City	231-582-2799
Up North Imagewear	Boyne City	231-582-3173
Village Graphics Inc. (http://www.villagegraphicsinc.com/)	Charlevoix	231-547-4172
Mobile Appfitters, LLC (https://www.mobileappfitters.com/)	Boyne City	231-675-4591
Latitude 45 Marketing	East Jordan	231-676-9197
RAZREYE Website Design (https://razrey.com/)	East Jordan	231-753-6153

Emmet County:

Nimble Kettle, LLC (http://www.nimblekettle.com/)	Petoskey	231-622-5032
Mackinac Journal/Cheboygan Daily Tribune (http://www.cheboygannews.com/)	Cheboygan	231-627-7144
Mitchell Graphics (http://www.mitchellgraphics.com/)	Petoskey	231-347-4635
Networks Northwest (http://www.networksnorthwest.org/talent/)	Petoskey	231-439-5213
Sign & Design (http://www.signanddesign.com/)	Petoskey	231-348-9256
Petoskey News Review (https://www.petoskeynews.com/)	Petoskey	231-347-2544
Abuzz Creative (https://www.abuzzcreative.com/)	Harbor Springs	231-373-8414
Creative i Advertising & Production (http://www.creativei.tv/)	Petoskey	231-347-9791 EXT. 11
Decka Digital, LLC (http://deckadigital.com/)	Harbor Springs	231-347-1253
Designbot Creative (http://www.designbotcreative.com/)	Petoskey	231-622-3527

Harbor Light Newspaper (https://www.harborlightnews.com/)	Harbor Springs	231-526-2191
Jane Bock Designs	Petoskey	231-347-6904
MacDonald-Garber Broadcasting (https://macdonaldgarberbroadcasting.com/)	Petoskey	231-347-8713 EXT. 109
Pierpont Productions Inc. (http://pierpontproductions.com/)	Harbor Springs	231-347-4488
Common Angle (https://commonangle.com/)	Petoskey	231-347-1300

Cheboygan County:

Name	Location	Contact
Straits Area Printing (https://www.straitsprinting.com/)	Cheboygan	231-627-5647
BrassWind Designs	Indian River	231-670-4181
Cheboygan News (http://www.cheboygannews.com/)	Cheboygan	231-627-7144
Black Diamond Broadcasting (http://blackdiamondbroadcasting.com/)	Cheboygan	No Phone
Social Solutions (http://socialsolutionsmi.com/)	Cheboygan	877-623-0482
North River Creative (http://www.northrivercreative.com/)	Cheboygan	248-290-1863

Media

Traditional media include:

- **Print:** Newspapers/Magazines are still widely used specifically in rural areas.
- **Radio:** Most stations are a specific genre in an area and can help you target a certain demographic.
- **Television:** Expensive and difficult to prepare but effective in today's market.
- **Direct Mail:** Effective for directing to a certain market and inexpensive compared to some other mediums.
- **Telephone:** A good way to target a certain demographic with a personalized conversation.

Non-traditional media include:

- **Email:** Target and trigger ads to consumers through personalized messages/coupons. It is a huge marketing tool especially to companies who don't have a large social media presence.
- **Website:** Landmarking page for information about your enterprise and for people to contact you with questions. Search engine optimization is an integral part of marketing your brand. This will inform northern Michigan about your brand by propelling yourself above your competition through internet searches.
- **Social Media:**
 - **Facebook:** Popular with middle aged adults for promoting businesses and connecting within their area.
 - **Instagram:** Photo and video network for teens and adults in their 20's & 30's.
 - **LinkedIn:** Site designed for professional networking, job searching, and connecting.
 - **Twitter:** Real time news feed for networking professionals.
 - **Pinterest:** Social network of images and boards of someone's lifestyle, great for showcasing products of your enterprise.



Legalize Your Business

Perhaps one of the more unforeseen challenges when starting a business is navigating through choosing the appropriate legal structure, filling out and obtaining the proper licensing and learning about your county's permitting and zoning regulations.

Adopting the desired legal structure should be one of the first steps for any entrepreneur who has a viable product/idea. There are typically 5 different structures to choose from including a sole proprietorship, partnership, conventional corporation, subchapter corporation and a limited liability company.

- **Sole Proprietorship:** One person owns and operates the business. The profits are all taxed as personal income. There is unlimited personal liability for claims, taxes and debts. Many businesses start out as sole proprietorships because of their ease but then shift to more elaborate structure.
- **Partnership:** Two partners own and manage the business. Each partner is referred to as an agent and has the power to hire employees, borrow money and operate the business. The profits are taxed as personal income and the partners are each liable for partnership claims, debts and taxes. There is also a limited partnership which allows the partners to avoid personal asset liability.
- **Conventional Corporation:** A corporation in which its owners, or shareholders are taxed separate from the entity. In general, incorporation protects the party from liability from the company's debts or claims. It also means that you can sell stock. Taxes are paid on income and on shareholder dividends.
- **Subchapter Corporation:** A corporation in which the owners are protected from liability, but do not have to pay federal income taxes for the corporation itself. The decision for which type of the corporation is made when the party decides if they want to pass corporate income, losses, deductions, and credits through to their shareholders. This may be an attractive option for many but complying with regulations can be quite costly and time-consuming.
- **Limited Liability Company (LLC):** LLC's can be a good option for anyone who has a lot of personal assets that they want liability protection from. They also allow profits and losses to be recorded through personal income which avoids the large corporate taxes but are then picked up in self-employment taxes.

*Consult with a local lawyer and accountant at the same time to determine which legal structure is best for you and your business.

Register Your Business Name

Filing a DBA or business name can be done by filling out an assumed name application at the county clerk's office where the business will be located. Corporations, limited partnerships, and LLC's file their name at the corporation's division. Comprehensive information on registering a business name can be found [here](#) (https://www.michigan.gov/documents/lara/8009_528143_7.pdf).

It is also imperative that the interested party look into proper licensing and regulatory requirements. Full information on this can be accessed through the [Michigan Department of Licensing and Regulatory Affairs](#) (<https://www.michigan.gov/lara/>) (LARA).

Federal Taxes with the IRS

All businesses need to pay taxes to the federal government. The legal structure is the main determinant for which taxes will apply and the timeline for when taxes are due.

- IRS small business page: [Small Business and Self-Employed Tax Center](#) (<https://www.irs.gov/businesses/small-businesses-self-employed>)
- [Business Taxes for the Self-Employed: The Basics](#)

(<http://www.irsvideos.gov/SmallBusinessTaxpayer/virtualworkshop>). This is an IRS Webinar for new and small business owners and self-employed. It will teach you what you need to know to meet your federal tax obligations.

State Taxes with the Michigan Department of Treasury

State business taxes depend on the type of business conducted, whether or not there are employees, the amount of gross receipts and many other factors. More information and forms can be accessed online at <https://www.michigan.gov/treasury> (Michigan Department of the Treasury).

- Also see Michigan Business One-Stop: [Business Tax](#) (<https://www.michigan.gov/taxes/0,4676,7-238-43519---,00.html>) information.

In addition to requiring the proper licensing and registration, those looking into starting a business also need to identify the different zoning and permitting restrictions in the area. Zoning and permitting varies from county to county and also township to township with some having requirements while others do not. The best option is to access the township website and locate their zoning office where you can find their ordinances and the necessary zoning permits and applications.

Another resource is the county specific permitting and zoning guides that were developed through Networks Northwest, formerly known as the Northwest Michigan Council of Governments and Northern Lakes Economic Alliance. The links to these are posted below:

- [Antrim County Permitting and Zoning Guide](#) (<https://www.northernlakes.net/wp-content/uploads/2015/07/fs44-1357662938-64150.pdf>)

- [Charlevoix County Permitting and Zoning Guide](https://www.northernlakes.net/wp-content/uploads/2015/07/fs15-1357663113-41689.pdf) (https://www.northernlakes.net/wp-content/uploads/2015/07/fs15-1357663113-41689.pdf)
- [Cheboygan County Permitting and Zoning Guide](https://www.northernlakes.net/wp-content/uploads/2015/07/Chebogan-County-GTPZ-2016.pdf) (https://www.northernlakes.net/wp-content/uploads/2015/07/Chebogan-County-GTPZ-2016.pdf)
- [Emmet County Permitting and Zoning Guide](https://www.northernlakes.net/wp-content/uploads/2015/07/Emmet-County-2016-reduced-size.pdf) (https://www.northernlakes.net/wp-content/uploads/2015/07/Emmet-County-2016-reduced-size.pdf)

Insurance

As an entrepreneur, risk is a major part of starting and growing your business. As a result, insurance is a necessary component to think about in the early stages of your business to prevent catastrophic loss to your work. Shop around. Rates and types of coverages vary among carriers. Common types of insurance to be considered are below:

- **Liability Insurance:** Covers injury and property damage to individuals caused by accidents on the owner's property.
- **Property Insurance:** Covers damage to property, equipment, inventory, etc. from fire, theft or storm.
- **Vehicle Insurance:** If company vehicles are used this will cover bodily injury and damage resulted from the use of that vehicle for work.
- **Health Insurance:** This needs to be purchased if you relied on your previous job.
- **Workers Compensation:** Covers any injuries, loss of wages and death to employees injured on the job. Also protects from employee lawsuits.
- **Product Liability Insurance:** Protects the business' product line from lawsuits caused by consumer use of the product. Only applicable to businesses that sell products to the general public.

*These are types of coverages that should be considered as a small business owner. The owner should sit down with an insurance broker and discuss what specific types of coverage apply to their operation.

Antrim County

Name	Location	Contact
Fischer Insurance (https://www.fischerins.com/)	Elk Rapids, Bellaire, Mancelona	231-264-6161, 231-533-6161, 231-587-8414
Fitzpatrick Insurance (http://www.fitzinsurance.com/contactus.html)	Elk Rapids	231-264-0333
Guy Dean Insurance Agency (http://guydean.net/)	Alden	231-331-4700
NuStar Insurance (http://www.nustarinsurance.net/?mv=f&nf=/)	Central Lake	231-544-1116
PaulMark Insurance Agency	Elk Rapids	231-264-8305
Riedy Mark R Ins Agency Inc (https://riedyagency.com/)	Bellaire	231-533-8688
Solace Insurance Agency	Elk Rapids	231-903-4683

Charlevoix County

Name	Location	Contact
Bingham Insurance (http://www.bingham-insurance.com/)	Charlevoix, Beaver Island	231-547-4062, 231-448-2150
Charlevoix Agency, Inc (http://www.charlevoixagency.com/)	Charlevoix	231-547-4441
Korthase Flinn Insurance and Financial Services (http://www.korthaseflinn.com/)	Boyne City, East Jordan	800-303-4113

Farm Bureau Insurance (https://www.farmbureauinsurance-mi.com/Agent/Jodi-Fritzsche/)	Boyne City	231.459.4800
Hubble Insurance Agency, Inc (http://www.hubbleinsurance.com/)	Boyne City	231-582-6746
The Insurance Shop (https://theinsuranceshop.net/)	East Jordan	800-350-6095
Northern Michigan Benefits (https://www.nmibenefits.com/)	Charlevoix	231-547-3423
NuStar Insurance (http://www.nustarinsurance.net/?mv=f&nf=/)	Charlevoix	231-237-4085
Statefarm (https://www.statefarm.com/agent/US/MI/Boyne-City/Mark-Patrick-BZCWY1YS000)	Boyne City	231-582-6829 - Mark Patrick

Cheboygan County

Name	Location	Contact
Barnett-France Insurance Agency	Mackinaw City	231-436-5053
BKC Insurance Services (http://www.bkcinsurance.com/)	Cheboygan, Indian River	231-627-4381, 231-238-2000
Burns & Eustice Agency (http://www.burns-eustice.com/)	Cheboygan	231-627-5679

Farm Bureau Insurance (https://www.farmbureauinsurance-mi.com/Agent/Ryan-Dombroski/)	Cheboygan	231-627-9061
Farmers Insurance	Cheboygan	231-627-2858
Hesselink & Hesselink Insurance	Cheboygan	231-627-9224
North Country Insurance (http://www.northcountryinsurance.com/)	Indian River	231-238-9882

Emmet County

Name	Location	Contact
Bluewater Underwriters Inc.	Petoskey	231-622-8499
Country Knolls No 2 Association	Harbor Springs	231-526-0682
State Farm Insurance (https://www.statefarm.com/agent/US/MI/Petoskey/Robert-Burke-H69P61YS000)	Petoskey	231-347-9811
Farm Bureau Insurance (https://www.farmbureauinsurance-mi.com/Agent/John-Crinnion/)	Petoskey	231-347-8833
Farmers Insurance (https://www.farmers.com/business/?Source_Indicator=APP&_ga=2.206237019.934155098.1530022942-1382599621.1530022942)	Petoskey	231-838-3152, 231-354-7326
Harbor Brenn Insurance Agencies (http://www.harborbrenn.com/)	Petoskey	231-347-8113

Hubble Insurance Agency (http://www.hubbleinsurance.com/)	Petoskey	231-347-2503
Insurance by Burley (http://www.insurancebyburley.com/)	Petoskey	231-526-2123
King Insurance (http://www.kinginsagency.com/)	Petoskey	231-347-9062
Korthase Flinn Insurance & Financial Services (http://korthaseflinn.com/)	Petoskey	231-348-8121
Northwestern Mutual Financial (https://www.northwesternmutual.com/financial/advisor/kevin-whitmore/)	Petoskey	231-753-2101
Peterson McGregor & Associates (http://www.petersonmcgregor.com/)	Petoskey	231-944-7024, 231-944-7022, 231-384-8702
Terry Enterprises Inc	Conway	231-347-1640
Top O' Michigan Insurance (https://www.tomia247.com/)	Petoskey	231-347-4610
Trust Shield Insurance Group (https://trustshieldinsurance.com/)	Harbor Springs	231-242-4336
Wilson Insurance Agency Inc. (http://www.wilsoninsuranceyouragency.com/)	Petoskey	231-347-4464



Selling Your Business?

Choosing to close or sell your business can be a tough decision that may become a stressful process. Numerous steps including a professional valuation of the business encompassing the value of the real estate and all of its assets, a sales agreement and the different options for transferring ownership. The SBA's business guide for closing or selling a business is a great reference for anyone thinking about selling.

- [Closing or Selling Your Business](https://www.sba.gov/business-guide/manage-your-business/close-or-sell-your-business) (<https://www.sba.gov/business-guide/manage-your-business/close-or-sell-your-business>)



Additional Resources

There are also some valuable resources through the Small Business Development Center (SBDC) and SCORE that can help navigate the entrepreneur through these areas.

- [SCORE - Simple Steps for Starting Your Business](#) ()
- [SBDC - Guide to Starting and Operating a Small Business](#) ()



Conclusion

It is our hope that this toolkit is used as the go-to reference for applicable resources in our four counties and as a comprehensive overview of the different aspects entrepreneurs should be knowledgeable about when beginning a business venture. Entrepreneurs should not have to shift through the millions of resources available online to later discover that information may not directly apply to being an entrepreneur in northern Michigan. Simplifying the process of conducting research before the startup process is an objective we believe will make our four counties a friendlier and more inviting place to build your business dream.

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Contributors

Jim Buckley (jwb123@aol.com)- Marketing section

Kerry OTool (kerry.otool@gmail.com)- Financial forecasting

Georgia Abbott (abbottg80@gmail.com)- Business Model Canvas implementation and revisions

Samantha Reis (samantha.reis@networksnorthwest.org)- Resource implementation, recommendations and revisions

Margo Johnson (rcmargoj@chartermi.net)- Recommendations and revisions

David Emmel (emmeld@gvsu.edu)- Resource implementation and recommendations

Christa Rensel (christa@nimblekettle.com)- Marketing campaign

Dawn Lavanway (dir@jvdl.info)- Recommendations

Kurtis Damerow (kurtis@emmetdrones.com)- Recommendations and revisions

Jessica Lovay (jess@northernlakes.net)- Revisions

Carly Bortz (carly@northernlakes.net)- Revisions

Rachel Smolinski (rachel@harborinc.org)- Resource Implementation