There's plenty to think about when starting your business in the Islands, and it's important to cover some of the key components. We've compiled a checklist to help you get your business up and running.

1. **CHECK YOUR BUSINESS IDEA IS Viable**

   - **Develop a business plan and establish your goals**
     Business plans are an essential first step. It's important to write down what you aim to achieve over your first few years in business. Not only is a business plan necessary to show to your bank when you're applying for funding, but it will help keep your business on track and help you achieve your goals. You may also want to show your business plan to key employees and investors, so they're aware of your objectives.
     Visit the [Small Business Administration (SBA) website](https://www.sba.gov) for more information.

   - **Register your business name**
     The first thing potential customers are likely to remember is your business name. Try to come up with something that's unique, effective, descriptive and memorable. You want your business name to have an impact on people so that it’s not easily forgotten. What you decide to name your business will set the tone for how you’re subsequently viewed in the business world, by both customers and your competition.
     Once you’ve decided on a name, register it with the Department of Commerce and Consumer Affairs under Business Registration.
     Be sure to also check any registration requirements for other states that you plan to do business in.
     Visit the [Small Business Administration (SBA) website](https://www.sba.gov) for more information.

   - **Protect your business idea and any intellectual property (IP)**
     Visit the [United States Patent and Trademark Office](https://www.uspto.gov) website to find out what types of IP you can protect. Look into the steps you’ll need to take to protect any patents, trademarks, copyrights or trade secrets.

2. **Identify your set-up costs**

   - The amount of money you need to launch depends on how much your set-up costs are, and how much working capital you need—the number of months you can cover expenses without needing sales.
     Start by identifying your set-up costs, and then conduct a break-even analysis. This will tell you if you’ll generate enough revenue in sales to cover all your costs, without first generating a profit. That’s your break-even point.
     Visit the [Small Business Administration (SBA) website](https://www.sba.gov) for more information.

3. **Secure enough capital to finance your business**

   - Make sure you have arranged enough financing to operate your business until it begins to make a profit. Consider options such as loans from your bank, personal savings, investments from family and friends, finding a business partner or, even an angel investment.
     Talk to an American Savings Bank [Business Relationship Manager](https://www.americansavingsbank.com) about our range of business lending solutions.

4. **Ensure you have experience and credibility in your industry**

   - It’s important that your potential customers trust you. You are better placed if you, or your staff, have past experience in your chosen business. You can demonstrate and boost your credibility by attending industry events as a guest speaker to position yourself as an expert as well as generating valuable networking contacts. Use social media to advertise your experience, as well as any customer testimonials you may have available.
2. RESEARCH YOUR TARGET MARKET

☐ Figure out the size of your potential market

Conducting accurate market research is the best way to find out how large your target market might be, and what share of it you can expect. Look at existing industry data combined with your own analysis. Visit the Hawaii Small Business Development Center to find research data.

☐ Identify the competition that’s closest to what you’re offering and observe them.

You’ll be able to better assess who you’re up against and develop effective tactics to gain customers by knowing as much about your key competitors as possible. Note what they excel at, what they struggle with, and then develop information and arguments to convince customers to switch to your business (without being negative about the competition).

☐ Evaluate pricing

Do the prices you plan to charge compare with your competition? If you’re charging more than your competitors, it’s important that your marketing strategy lets customers know that although they’re paying more, it’s worth it. If you are going to compete on price, have the confidence you’re going to be able to beat your competitors in the number of sales.

☐ Identify potential suppliers

Without competent and reliable suppliers, you may not be able to meet increasing demand for your offerings. Analyze the available options and have certain criteria to determine which one you choose, including cost, quality and location. Make sure you have a back-up supplier if needed.

A good way to find reputable suppliers is through industry networks and business colleagues.

☐ Work on a clear competitive advantage

What do you do better than anyone else? What sets your business apart? This is crucial in the business world. People will want to know why they should choose your business over similar competitors. They’ll also want to know that you’re providing a superior product or service and that they’re getting value for their money.

3. KNOW YOUR COMPETITORS

☐ Identify your core competitors

You’ll be able to better develop effective tactics to gain customers when you know as much about your key competitors as possible. For example, if you intend to open a native plant nursery, your main competitors may be other nurseries and big box home improvement stores with garden centers.

☐ Conduct a competitor SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats)

In order to help your business maximize its strengths, reduce its weaknesses, take advantage of its opportunities and avoid threats, carry out a SWOT analysis on each of your key competitors.

☐ Decide how to position your business

Determine what sets your business apart, decide which customers you will be able to best serve and look at how your business will fit into the competitive landscape. Is this where you want to position your brand?

☐ Discuss actions to counter your competitors

Are you competing on price, or on the quality of your product or service? How can you counter competitor actions when you enter the market? Offer a unique experience, entice new customers to return with a loyalty card, or focus your energy on your niche customers.
4. IDENTIFY YOUR CUSTOMERS

☐ Profile your target customers

Find out what, when, where, why and how your primary customers buy. You’ll want to know everything about them and their purchasing habits to increase your chances of making sales. Design a marketing campaign to attract them as customers by creating profiles of who they are and how they utilize your business.

☐ Evaluate your potential customers' buying behavior

Knowing when and how often your repeat customers will likely purchase from you can be crucial information for estimating your business’ cash flow. It’s important to talk to them to find out their needs. Interact with potential customers by talking to them when they’re buying from competitors, and attend trade shows so you can connect with them. Use their responses to tweak your products and services.

☐ Conduct surveys and polls using social media.

Social media is a cheap and effective means of communicating with customers, and most people use it. Use Facebook and Twitter to conduct surveys about products or services that are similar to yours, and in doing so, get to know your customers. Social media also means you’re building relationships with your customers, which is essential for your credibility. And you can use the results of your surveys to improve your products or services, so that you’ve got an edge on the competition.

☐ Attend trade shows in your industry and talk to those who are attending.

If there are any trade shows relevant to your business, make sure you go. If you’re able, set up a stand as an exhibitor. When people attend trade shows, they expect businesses to pitch them their products and services. You’re not only boosting your brand awareness and getting your product out there, but you’ve also got a great opportunity to meet many potential customers.

You’re also going to get a good look at the competition. They’re going to be exhibiting as well, so make sure you check out their offering and see how you can improve yours to beat it.

Trade shows are great networking opportunities, too. You’ll get to meet people in your industry, and this kind of networking helps you stay abreast of what’s happening in the marketplace.

☐ Match your products or services to the customer segment

You might have a few different types of customers based on your customer profiling. Aim to match certain products or services to those different demographics. For example, if you’re opening a restaurant and young professionals working long hours are one of your key customer targets, cater to their needs by opening the kitchen for longer, or offer delivery.

☐ Establish some practical marketing tactics

To increase your customer base, you’ll have to come up with some marketing tactics that will entice and retain customers, particularly during the early phase of your business. For example, if you’re opening a bakery, you might offer a limited “buy one, get one free” special to get people into your shop.

☐ Create an advertising campaign to attract your target customers

To increase your customer base, come up with advertising tactics that will entice and retain customers, particularly during the early phase of your business. For example, “buy one, get one free,” “opening special,” or another such offer to attract people into your business.

Plan an advertising campaign that fits within your budget. Think about which channels will be most effective for your target group. That may mean a combination of online advertising, print advertising, email marketing, flyers, signage and other methods that suits your business.

☐ Build word-of-mouth advertising

Getting your customers to tell others what they think of your business is one of the most effective ways to gain new customers. You can do this by following up on sales and asking for referrals, making contact with your most loyal customers and inviting them to industry events.

Make sure you always resolve complaints swiftly; if you do, your newly satisfied customer will tell their friends how great you were at solving their problem.

☐ Work on customer retention.

Developing a good customer database is critical for repeat business, because it means you can keep track of what customers are buying and remind them when it’s time to buy again. Setting up a customer loyalty program is also essential, because if you reward your customers they’ll continue to come back, and they’ll bring their friends. Staying in touch with them via social media and e-newsletters is also a great way to build your relationship.

TIP

There are a number of directory websites that list industry and special interest trade shows and events.

Search using key words that apply to your business type to see what’s available to attend.
5. WORK OUT POTENTIAL PROFITS

☐ Estimate your overhead and margins
Calculate your likely overhead such as rent, utilities and taxes. These are regular expenses your business will have regardless of your profit. Then, set some sales goals and estimate a profit margin.

☐ Determine your pricing structure
Contemplate the prices of your goods and services before you establish them. Customers will compare your prices with your competitors. They may make assumptions about the quality of your offerings based on price.

☐ Calculate your break-even point
It’s essential to have an accurate estimate of how many items, or hours of service, you’ll need to sell each week to cover your costs and make a profit. The bank will want to know when you expect to break even.

☐ Create a cash flow forecast
To help you identify sales and expense fluctuations each month, generate a cash flow forecast. In order to take action early, aim to predict when you may have too little or too much cash.

☐ Conduct a sales forecast
Sales forecasting is hard for start-ups because you don’t have any past records to use as a basis for your forecast. However, you can use external data. Look at trends in your industry, check out past statistics of market demand and observe your competitors.

☐ Open business bank accounts
American Savings Bank offers different services to support your day-to-day banking needs. Visit our website to learn more.

6. COMPLY WITH THE LAW

☐ Choose a business structure
You need to choose a business type. Most businesses will be sole proprietorships, partnerships, limited liability companies or corporations. Decide the best structure for your business at the SBA site.

☐ Apply for an Employer Identification Number (EIN)
An EIN is a unique number that’s given to you by the Internal Revenue Service (IRS). It’s also known as a federal tax identification number and it distinguishes your business from others. To apply for an EIN online visit the IRS website.

☐ File for a “Doing-Business-As” certificate
A Tradename or “Doing-Business-As” (DBA) name is a way to set up your business under a name that is different from your legal name. Find out more about DBAs at the SBA website.

☐ Find out what business taxes you need to pay
Depending on the type of business you start up, you’ll have certain taxes that you must pay. Find out which federal taxes relate to your business on the IRS site.

☐ Register for any state or local taxes
You’ll also have state and local taxes to pay depending on your business type and its location. The State of Hawaii Department of Taxation website has the information you need about business taxes.

☐ Check business licenses and permits
Use the State of Hawaii business website to find licenses and permits applicable to your county and your business. You’ll also find links to register your business, register a trademark and connect to online tax services.

☐ Register your business with the government
You’ll need to set up your business with the State of Hawaii and open tax accounts. The Hawaii Business Express wizard tool makes it easy; it determines the forms you need and enters the information for you.

☐ Set up a financial record keeping system
Ensure your business’ finances are well organized. Think about hiring an accountant or bookkeeper if managing finances is challenging. Accounting, invoicing and cash-flow tracking software can also help. By integrating the right accounting software into your business processes, you can save a lot of time on accounts while keeping accurate records. Your software should also be able to generate reports, send invoices and assist with payroll.

☐ Get advice from your lawyer, accountant and advisors
To help you set up your business and understand your tax obligations, it’s a smart idea to employ the services of an accountant from day one. You’ll also need the services of a lawyer when starting up. And it can’t hurt to seek the counsel of advisers you trust.

TIP
At American Savings Bank, we want to get to know our Hawaii small business customers and take the time to understand the needs of your business. Talk to one of our Business Relationship Managers for advice and guidance around starting up your new business.
7. REDUCE YOUR RISK

☐ Talk to your insurance representative about business insurance

Safeguard your business against theft, flooding, loss of key people, accidents and injury, and property with the right insurance. Find out what types of business insurance you’ll need on the SBA website.

☐ Check your capacity

Ensure you have the right equipment, staff and capability to provide the goods or services you’re promising your customers. Do you have the appropriate staff, expertise, workspace or tools?

☐ Create an asset register

When you have to account for depreciation at the end of the financial year, it will be an easier task if you have an up-to-date asset register listing all your business’s assets and the prices you paid for them.

☐ Join your business association and any local business support groups

It’s helpful to get specific industry advice and support when starting up your new business. Extra experience and services can help guide your business in the right direction. Some good resources include:

- Hawaii Small Business Development Center
- Chamber of Commerce Hawaii
- National Federation of Independent Business Hawaii Small Business Association

8. LAUNCH YOUR NEW BUSINESS

☐ Identify suitable locations and fit them out

Take your time to search for a promising site. Of course, home-based businesses are growing and this may be a better option while you get established.

☐ Hire any staff you need

If you’ll need employees to help your business grow and succeed, now’s the time to decide what kind of staff you want and to go through the interviewing, hiring and training process.

Make sure you familiarize yourself with Employer Regulations in the State of Hawaii and any other states where your employees are located.

☐ Register a website domain name and build your site

You’ll need a unique domain name if you plan to build a website for your business. For more information on starting up an online business see the SBA site.

☐ Set up a unique email address

Ideally, your business email address should be the same as your business domain name so customers know they’re dealing with you.

☐ Build up a social media presence

It’s vital to set up strong communication channels between your customers and your business. Decide which social media platforms, such as Twitter, Facebook, Instagram and LinkedIn are best for interacting with your unique customer base.

☐ Register your trade name and trade-mark

Learn more about trade names and trade-marks to decide if you want register one. Consult with your lawyer on this issue as well.
RESOURCES & WEBSITES

The U.S. Small Business Administration (SBA)

[www.sba.gov](http://www.sba.gov)

A government website with expert knowledge and support to help develop your ideas and achieve success. Learn about SBA-backed business loans.

State of Hawaii website

[portal.ehawaii.gov.../steps-to-starting-a-business](http://portal.ehawaii.gov.../steps-to-starting-a-business)

Check out the "Steps to starting a business" resource offered by the State of Hawaii.

Also check out the requirements for any other state you plan on conducting business in.

Business Registration Branch

[cca.hawaii.gov/breg](http://cca.hawaii.gov/breg)

The Business Registration Branch of the Department of Commerce and Consumer Affairs is the place to go to register your corporation, limited liability company, general partnership, limited liability partnership or limited liability limited partnership in Hawaii. The branch also registers state trade names, trademarks and service marks.

United States Patent and Trademark Office

[www.uspto.gov](http://www.uspto.gov)

Everything you need to know about how and why you should register a patent or trademark for your business.

Hawaii Small Business Development Center (SBDC)

[www.hisbdc.org](http://www.hisbdc.org)

Find help to start and grow your business, search for funding, and attend learning events. There are several SBDC locations throughout Hawaii.

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Please note that the information provided isn't intended and should not be relied upon as professional or personal financial product advice. You should seek professional advice before making any decision that could affect the financial health of your business.