

Starting A Home-Based Business in Maine

“Side Gig to Big Gig”

PETER PICONI – MAINE SBDC

Housekeeping

- ▶ This is being recorded and will be sent to you afterwards as well as all linked resources
- ▶ Please keep yourself on mute.
- ▶ Submit any questions in the chat.



Peter Piconi

SBDC Maine

“Glass Half Full....”

- ▶ Business Strategy
- ▶ Ideation
- ▶ Connector

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What Does The SBDC Do?

Free business advising to Maine businesses and entrepreneurs

- Business Planning and Startups
- Credit and Financing
- Financial Analysis
- Marketing and Sales
- Operations Management



MORE IMPORTANTLY

- ▶ Been there, done that and have a great team:
 - ▶ Helped form a successful business
 - ▶ From Sole Proprietor
 - ▶ To LLC
 - ▶ To Corporation

Framework for our *Conversation*

Take what knowledge is helpful.....

Leave what is not.....

Let it fit who you are.

Road Map for Today

Attributes of an Entrepreneur

Where to start?

Choose your entity type

State Permits and Local Regulations

Social License?

Employees

Resale Certificate and Insurance

Perspective from two startups !



Guest Business Owners

Toni Small - Oryx Works Yoga
Ice House Oysters



Shawn Manch – Shawn Manch LLC



Start with a Poll:

Where are you in the business development process?

1. I want to start a business but don't know what type yet
2. I have an idea, but it's not clearly defined
3. I have an idea but not sure how to launch it
4. I have a side gig that can be a full-time gig

POLL

Voting Link

[https://www.menti.com/alh
epcjr25pz](https://www.menti.com/alh
epcjr25pz)

Vote Code 7347 6596



Why Start a Business?

- ▶ The opportunity to:
 - ▶ Create your own destiny
 - ▶ Make a difference
 - ▶ Reach your full potential
 - ▶ Reap impressive profits
 - ▶ Contribute to society and be recognized for your efforts
 - ▶ Do what you enjoy and have fun doing it

What does it take to start a business?

Are you a self starter?

Do you plan and organize well?

Do you get along with different personalities?

Are you good at making decisions?

Do you have the physical and emotional stamina to run a business?

Will your family be supportive during the difficult times?

Can you create a network to help you?

Some Things to Think about...

Uncertainty of Income

Risk of losing your entire investment

Long hours and hard work

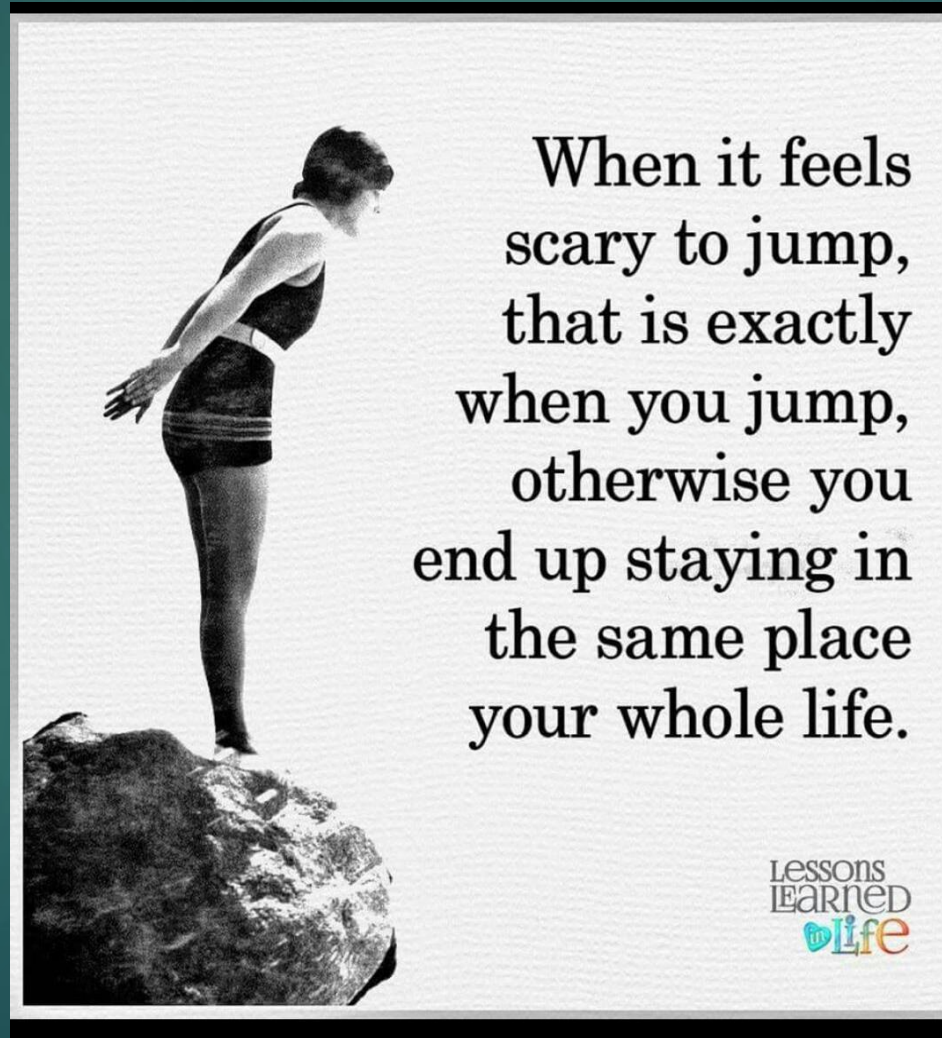
High levels of stress

Complete responsibility

Lower quality of life until the business gets established



The start of anything...



Where to start?

Prepare a Business Plan

- ▶ Description of Business
- ▶ Products and Services
- ▶ Marketing and Sales
- ▶ Operations
- ▶ Management Team
- ▶ Financial Summary



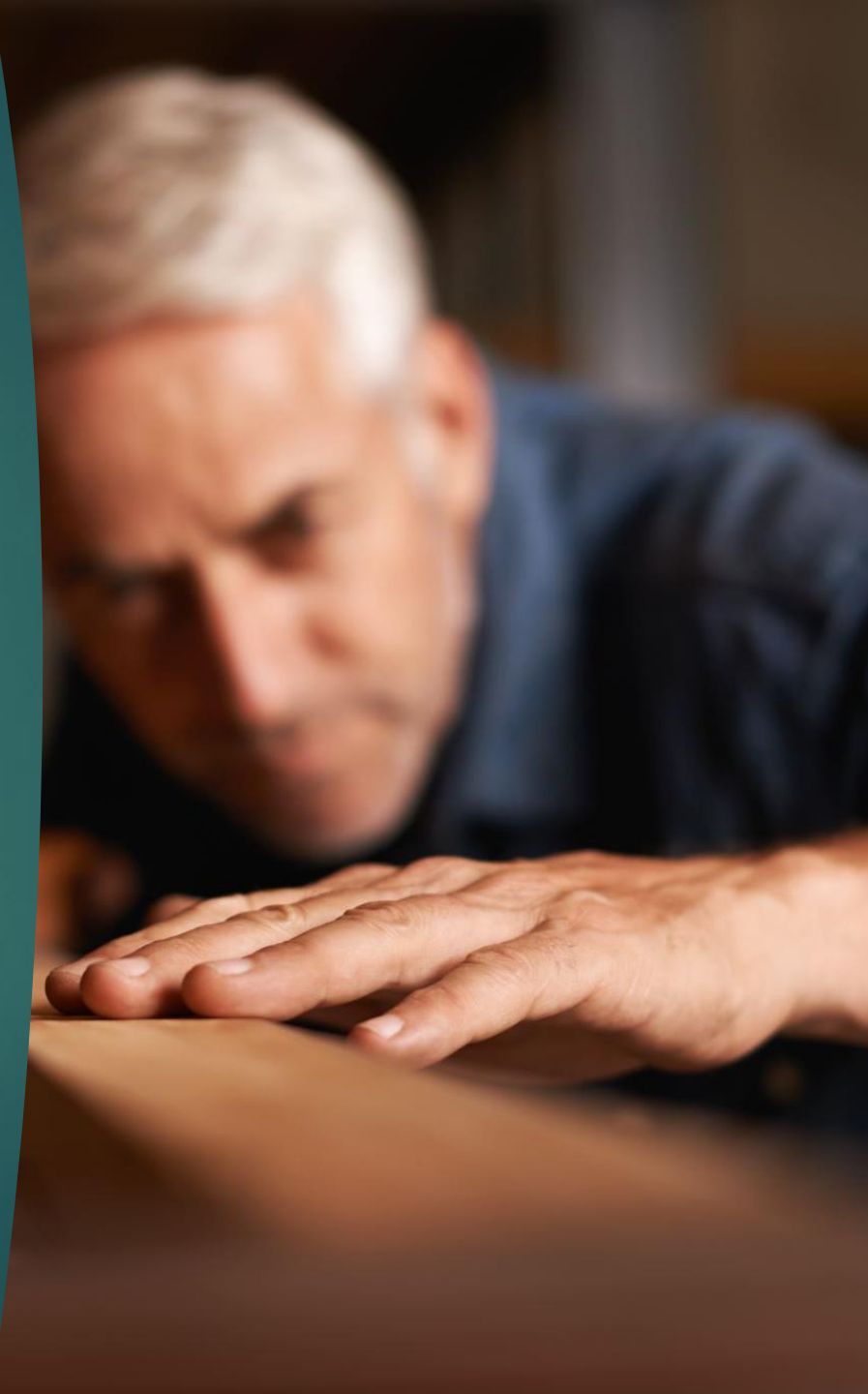
Forming the Entity

What is my legal form of ownership?
Why?

Does this entity type facilitate my
business goals?

What are the requirements or
obligations of this type of entity?

What are my tax remittance
responsibilities?



Types of Legal Entities

- ▶ Sole Proprietorship (DBA)
- ▶ Partnership
 - ▶ Limited Liability Partnership
- ▶ Limited Liability Company (LLC)
- ▶ Corporation



Sole Proprietorship (d/b/a)

ADVANTAGES: Easiest and least expensive form of ownership. Generated income goes to owner to keep or reinvest. Easy to dissolve if needed

DISADVANTAGES: Unlimited liability. Funding difficulties. Less attractive to prospective employees. No difference between you and your business
File DBA with local municipality

Partnership

▶ **ADVANTAGES:** Easy and inexpensive like a Sole Proprietorship. Shared financial commitment. Potential partnership incentives for future employees.

▶ **DISADVANTAGES:** Joint and individual liability. Disagreements among partners. Shared profits.



Limited Liability Partnership (LLP)

▶ Similar to partnership with three exceptions:

- Limited partner only is liable up to amount of invested capital
- Limited partner cannot have direct control
- Limited partner can transfer ownership and continue based on agreement



Limited Liability Company (LLC)

A hybrid between a sole proprietorship/partnership and a Corporation

Need written operating agreement
(‘Articles of Organization’)

Limited personal liability for ‘members’



Limited Liability Company (LLC)

ADVANTAGES: Combines the benefits of a partnership and a corporation. Limited personal exposure, less record-keeping and paperwork, fewer restrictions on profit-sharing.

DISADVANTAGES: Limited life (in some states), self-employment taxes, not permitted for some licensed professionals in some states.

Corporation (S and C Corps)

ADVANTAGES:

- ▶ Owners are separate from legal liability so they're not entirely responsible when faced with legal issue or debt.
- ▶ Ability to sell stock, which raises the likelihood of acquiring financial capital.
- ▶ Well established structure with clearly defined role accountabilities and agendas.

DISADVANTAGES:

- ▶ Time-consuming. Costly. Double taxation. Additional paperwork and record-keeping.



Social License

aka – “be a good neighbor”



Social License

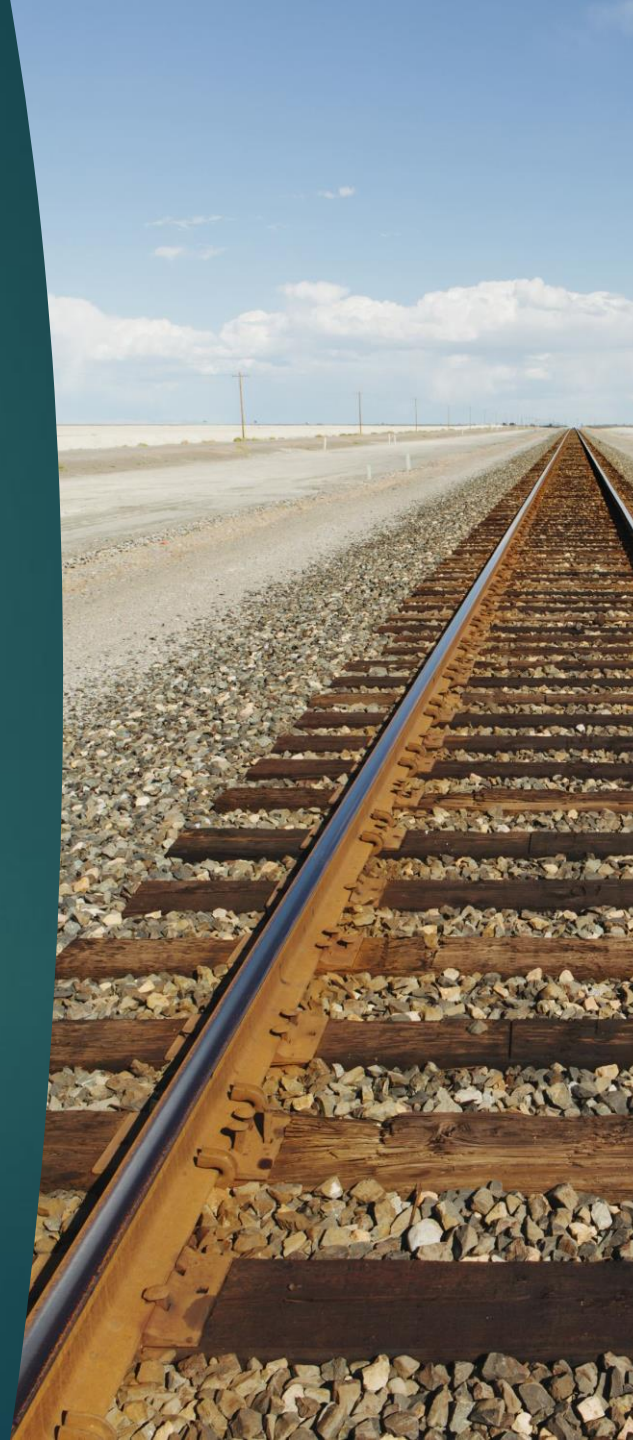
- ▶ Know your neighbors?
- ▶ Consider your time in the community
 - ▶ Create investment in the community
- ▶ Join a local organization or provide free services
- ▶ Consider alignment to local perspectives
- ▶ Is the family on board?
- ▶ Are they part of your team?



Photo Credit: Tims Blog

Protect the Name

- ▶ Search name on state site: <https://icrs.informe.org/nei-sos-icrs/ICRS?MainPage=x>
- ▶ Doing Business As (DBA)
 - ▶ If operating under a business name that is different from your given name – register in that name in city or town where you are located (fees vary)
- ▶ Business Answers:
<https://apps.web.maine.gov/cgi/online/businessanswers/index.pl>



State Licenses or Permits?

- ▶ Go to Maine Department of Community Development
- ▶ One Stop Licensing Center
 - ▶ Business Answers:
<https://apps.web.maine.gov/cgi/online/businessanswers/index.pl>



BUSINESS ANSWERS



I want to...

- Start a business in Maine.**
(Get help determining the business licenses and permits you'll need to start your business)
- Search for a license or permit.**
(Find the a specific business license or permit by keyword, category or agency.)

[Go »](#)

Business Answers helps you find what you need to start and do business in Maine.

Need help now?

Contact us weekdays between the hours of 8:00 a.m. and 5:00 p.m. eastern time.
1-800-872-3838 in Maine or 1-800-541-5872 from outside of Maine

You can also e-mail us at business.answers@maine.gov

Service Information

- [About Business Answers](#)

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[Sign in with Google](#)

...or sign in to your Business Answers account using your username and password. *Required fields.

Email*

Password*

Local Rules?

▶ Process:

- ▶ Contact local town office or city hall
- ▶ Check with local code enforcement officer



Employees?

▶ Business Owner duties:

- ▶ Register for Federal Employer Identification Number (EIN)
- ▶ Register for Maine State Income Tax and Withholding and Unemployment Insurance
- ▶ Obtain Workers Compensation Insurance
- ▶ Obtain and post required labor posters – summarize state and federal laws

▶ Employees

- ▶ Fill out Withholding Certificate (W-4)
- ▶ Fill out Employment Eligibility Verification (I-9)
- ▶ Report any new employees to Department of Health and Human Services
- ▶ Keep all employee docs on file



Selling a taxable product/service?

- Obtain a State Sales Tax Number
 - By filling Application for Tax Registration with Maine Revenue Services
- Apply online or download application at
 - <https://www.maine.gov/revenue/>
- Apply for Resale Certificate
 - if planning on wholesale purchases

Insurance?

Contact local insurance agent for necessary coverage



Guest Business Owners

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Ice House Oysters



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Question for Owners:

- How did you make the decision to go into business?
(how did you know it was time?)
- Talk about your greatest challenge and success.

Thank you!!!
Questions?

Need Advising?

Use the QR Code
to register

[Click to Register](#)

No-Cost, Confidential
Business Advising



Creation, Growth, Success
AMERICA'S

Links for Resources

Maine SBDC: <https://www.mainesbdc.org/>

Business Start Up Checklist: <https://www.mainesbdc.org/new-business/new-business-resources/resources-starting-a-business-checklist/>

Register for Advising:

<https://mainesbdc.centerdynamics.com/reg.aspx?mode=counsel¢er=11000&subloc=0>

SBDC Resources for new businesses:

<https://www.mainesbdc.org/new-business/>

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Maine Small Business
Development Centers