



Bucksport Bay Area Small Business Resource Guide

Resources for starting, managing and growing your business

Whether you are an established small business, an emerging entrepreneur, or thinking of starting a business there are many resources that can help you along the way with starting, maintaining and growing your business - most of them are free or low cost.

The *Bucksport Bay Area Small Business Resource Guide* has been created exclusively for the Bucksport Bay area and will put you in touch with the people and programs that will advise, mentor, educate, inform and assist you with all your small business needs.

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Connect with a Small Business Expert

Looking for someone to talk to (at no cost) about:

- *Starting or buying a business*
- *Expansion*
- *Financing*
- *Loan package development*
- *Accounting and recordkeeping*
- *Marketing and sales*
- *Increasing profitability*
- *Cash flow projections*
- *Hiring employees*
- *And more*

The folks in this group can help you with all that and much more. Just ask them!

Eastern Maine Development Corporation (EMDC)

40 Harlow Street
Bangor, ME 04401
207-942-6389
bizservices@emdc.org
www.emdc.org

EMDC provides business financing and counseling including assistance with business plan development leading to expansion and growth.

What is the next step for your business? EMDC can connect you with resources including mentoring, training and business planning assistance.

Maine Small Business Development Centers (Maine SBDC at CEI)

210 Main Street, Suite 7

Ellsworth, ME 04605

207-664-2990

Betty Egner, Certified Business Advisor

Betty.egner@ceimaine.org

www.mainesbdc.org

Whether you have an established business or want to start a business, Maine SBDC is the one-stop place for confidential, professional business management assistance at no cost. Experienced, certified business advisors provide consultation in:

- business startup and acquisition
- business and marketing plans
- financial and business analysis
- market research
- sources of credit and financing
- loan packaging
- cash flow analysis
- accounting and record-keeping
- marketing and sales
- operations
- personnel and more

MaineStream Finance (MSF)

262 Harlow Street

Bangor, ME 04402

207-973-3509

Matt Lewis

m.lewis@penquis.org

www.mainstreamfinance.org

MaineStream Finance offers free one-on-one business consultation to provide technical assistance to individuals interested in starting a business or expanding an existing small business. The services include: developing business plans, marketing strategies, outreach and advertising, loan preparation, business start-up and more. MSF works with businesses with ten employees or fewer. MSF also provides business technical assistance to help farmers, food producers, and convenience stores expand and grow into the healthy foods markets. Assistance includes: business plans, sales and marketing, loan preparation, start-ups and expansion.

SCORE – Downeast Office

248 State Street
Ellsworth, ME 04605
207-667-5800
www.scoredowneastmaine.org

SCORE mentors provide free and confidential business counseling and inexpensive or free business workshops on a variety of business topics. Downeast SCORE volunteers are ready to help you start a business, expand your business, or reassess your strategies to meet new challenges.

Target Technology Incubator

20 Godfrey Drive
Orono, ME 04473
207-866-2406
targetincubator@maine.edu
www.targetincubator.umaine.edu

The Target Technology Incubator provides a one-stop-shop for everything a scalable innovation-based company needs to achieve its goals. It offers: free, confidential business coaching, workshops and seminars, office space, business planning and mentoring and resource connections.

University of Maine Cooperative Extension – Hancock County

63 Boggy Brook Road
Ellsworth, Maine 04605-9540
207-667-8212 or 1-800-287-1479 (in Maine)
Joyce Fortier, Joyce.fortier@maine.edu or
Louis Bassano, Louis.bassano@maine.edu
<http://extension.umaine.edu/hancock>

Meet individually and confidentially for free with Small Business Extension Educators to have your specific questions answered. Learn about writing a business plan, marketing, pricing products, services, and more.

In addition, through a partnership between University of Maine Cooperative Extension and the Ellsworth Noontime Rotary, aspiring or existing business owners in Hancock County can participate in a facilitated brainstorming session with a team of experienced and knowledgeable local business leaders. The focus group will provide valuable feedback on an issue of importance to the business and help the business owner gain helpful insights and ideas for improving the business.

Training and Workshops

There are lots of opportunities to learn about all things small business. You can attend a live workshop or take one of many online workshops. And most of them are free!

Eastern Maine Development Corporation (EMDC)

40 Harlow Street
Bangor, ME 04401
207-942-6389
events@emdc.org
www.emdc.org

EMDC presents or sponsors a wide range of workshops at various locations on topics such as marketing, buying and selling a business, cash flow management, business ethics, exploring self-employment and more.

Maine Small Business Development Centers (Maine SBDC at CEI)

210 Main St., Suite 7
Ellsworth, ME 04605
207-664-2990
Betty Egner, Certified Business Advisor
Betty.egner@ceimaine.org
www.mainesbdc.org

Maine SBDC offers free or low cost workshops and training on a variety of small business topics such as business startup, business planning, marketing/sales/pricing, government contracting, customer service, cash flow spreadsheets, Quickbooks/taxes and more. Training is presented by SBDC certified business advisors. In addition www.mainesbdc.org has resources, tools, and templates on many small business management topics.

MaineStream Finance (MSF)

262 Harlow Street
Bangor, ME 04402
207-974-2476
James Macomber
jmacomber@penquis.org
www.mainstreamfinance.org

MSF offers free, live and online courses. Their programs include:

- **Incubator Without Walls** - An intensive, 7-session class that goes into detail on these and other topics: Is Starting a Business for Me, Business Concept, Legal Structures of Business, Business Plan, Marketing, Credit, Record Keeping, Financials, Cash Flow and more. The program shows you how to write a proper business plan, the key to starting and maintaining your new business.
- **Business 101** is a one hour free workshop that provides an overview of the pros and cons of operating a microenterprise. What is a business plan? Why it is needed and what resources are available for business development assistance? Business 101 is a good way to learn if starting your own business is right for you.
- **The Hatchery** is a series of seminars on how to start a business or grow an existing one. The course will help you make a business plan, assemble a team, and figure out the finances, regulations and legal issues.
- MaineStream Finance offers courses for entrepreneurs in computer literacy, including accounting software, social media strategy, e-commerce, Microsoft Office and more.

New Ventures – Down East Region

UMA – Bangor Campus
1 University Drive
Bangor, ME 04401
207-262-7843
Jane Searles
Mary.jane.searles@maine.edu
www.newventuresmaine.org

New Ventures Maine offers several classes for small businesses: Introduction to Self-Employment, Business Basics and New Ventures Entrepreneurship Training – a 60-hour course in business planning. That course covers in depth: your customer, competition, marketing, record keeping, taxes, financing, legal aspects, and more. At the end of the class, students will have a completed business plan.

SCORE – Downeast Office

248 State Street
Ellsworth, ME 04605
207-667-5800
www.scoredowneastmaine.org

The Downeast SCORE chapter conducts a variety of regularly scheduled, low-cost or free educational workshops and roundtable sessions that provide information and techniques necessary for establishing and managing a successful business. SCORE also offers free, online workshops at www.score.org.

U.S. Small Business Administration (SBA)

www.sba.gov

The SBA's online Learning Center has a wealth of training opportunities for small businesses: online webinars, videos, podcasts and learning tools, checklists and worksheets on a wide range of topics: Finding Capital to Start Your Small Business, Health Care and Small Business, How to Prepare a Loan Package, Employee Recruitment and Retention, Tips for Women Entrepreneurs, Selling Your Business, Finding and Attracting Investors, Cybersecurity for Small Business, Crowdfunding and much more. And it's all available at no cost 24/7.

University of Maine Cooperative Extension – Hancock County

63 Boggy Brook Road
Ellsworth, Maine 04605-9540
207-667-8212
cehnk@umext.maine.edu
<https://extension.umaine.edu/hancock>

Educational workshops, programs and business management publications are available to Maine people on a variety of business-related topics, such as: marketing, pricing, financial management, Internet marketing, record keeping, and customer service. In addition the program has an extensive online small business library with resources on many small business management topics.

Marketing and Sales

Many of the resources listed in the Small Business Experts and Training and Workshops categories offer information, counseling and training events on many marketing topics. Here are some additional resources.

Bucksport Bay Area Chamber of Commerce

52 Main St.

Bucksport, ME 04416207-469-6818

Leslie Wombacher, Executive Director

leslie@bucksportbaychamber.com

www.bucksportbaychamber.com

The Bucksport Bay Area Chamber of Commerce is a membership-based organization that promotes the interests of the Bucksport Bay region business community through promotional, referral, networking and educational activities and offers special services and discounts.

Programs/services the Chamber provides:

- Business referrals. Requests for service, products and accommodations come from residents and tourists. Your business benefits when the Chamber makes recommendations.
- Promotional, sponsorship and publicity opportunities are available for your business by participating in Chamber events and publications.
- Services and discounts such as office and meeting space, Wi-Fi use, copying and fax services and the WIN-WIN program – members can advertise to each other in the Chamber's E-News.
- Promotional exposure thru on-line profile, social media, events calendar, online profile and Visitor's Guide.

Maine Made America's Best Program

Maine Products Marketing Program

59 State House Station

Augusta, ME 04333

207-624-7489

Tammy Knight, Development Program Manager

tammy.knight@maine.gov

www.mainemade.com

The Maine Department of Economic and Community Development's Maine Made Program builds recognition for hundreds of exceptional Maine made products and their producers. Producers of high quality Maine made products can participate in a number of program features including the Maine Made website, America's Best product identification labels, kiosk display opportunities and trade show participation. On the Maine Made website, members are entitled to a profile page with website and email links to further promote their products. There is no fee to apply and a very modest cost to participate in the program.

New England Made Giftware & Specialty Food Show

Giraffe Events, LLC

35 Storer Street

Saco, ME 04072

207-781-5756

info@nemadeshows.com

www.nemadeshows.com

Giraffe Events is the owner and producer of the New England Made Giftware & Specialty Food Shows (NEM), a wholesale, juried show featuring exclusively New England made giftware and specialty food that takes place twice a year – in Portland, ME and Sturbridge, MA. Both shows feature New England-made products including home décor, pottery, apparel, accessories, jewelry, toys and games, candles, books, cards and prints, glassware, bath and body products, furniture, spices, candy, sauces and other specialty food items. There is a fee to participate.

Financing Sources and Information

These organizations are alternative sources of financing for small businesses.

CEI – Capital for Opportunity and Change

30 Federal Street
Brunswick, ME 04011
207-504-5886
www.ceimaine.org

CEI offers business financing and technical support for a wide range of small businesses. With flexible business financing, loans, investments, rates and terms, CEI is able to leverage its capital with other sources, primarily banks, at a 1:3 ratio.

Financing opportunities include:

- **Direct loans** to start-up, existing and growing small businesses in Maine and beyond, in amounts ranging from \$5,000 to \$3,000,000.
- **Venture capital investments** in small businesses located in New England and the mid-Atlantic region. Investments range from under \$500,000 to over \$1 million.

Washington-Hancock Community Agency (WHCA)

248 Bucksport Road
Ellsworth, ME 04605
207-610-5928
Staci Roberson
sroberson@whcacap.org
www.whcacap.org

WHCA has several loan programs for small businesses:

- **Economic Development Match** loans help small businesses with funding of up to \$50,000 for the purchase of equipment, supplies, inventory, leasehold improvements, and working capital.
- **Job Start Loans** are up to \$10,000 to start or expand a small business. Interest rate is Prime plus 1%, with no loan origination fees.

Eastern Maine Development Corporation (EMDC)

40 Harlow Street
Bangor, ME 04401
207-974-3243 or 800-339-6389
bizservices@emdc.org
www.emdc.org

EMDC has a wide range of commercial lending products to assist small businesses to start and/or expand.

EMDC loan programs:

- **Microloans:** Small businesses who demonstrate the ability to be successful but cannot access bank financing may qualify for a Microloan for start-up, expansion or working capital needs.
- **Business Loans:** EMDC has several secondary loan funds to finance a wide variety of business needs, including equipment, real estate and working capital.
- **Community Advantage 7a:** Community Advantage 7a loan program offers a streamlined, two page application process and approval decisions within 5 to 7 days. Community Advantage 7a loans are available for amounts up to \$250,000.
- **SBA 504:** Are you planning an expansion? Your business can benefit from attractive, fixed rate financing through the SBA 504 debenture program. With 504, you can get long-term, fixed rate financing at a reasonable rate, with typically 10% in.

Finance Authority of Maine (FAME)

5 Community Drive
P.O. Box 949
Augusta, ME 04332-0949
207-623-3263 or 1-800-228-3734
business@famemaine.com
www.famemaine.com

The focus of the Business Division at FAME is to help businesses access capital to grow, expand and succeed; thus, creating new employment opportunities that will benefit the people and communities of Maine. FAME offers a variety of financial programs from traditional loan insurance to direct loans to small businesses.

Libra Future Fund (LFF)

PO Box 17516
Portland, ME 04112
207-879-6280
www.librafoundation.org/libra-future-fund

The Libra Future Fund awards grants to young entrepreneurs in Maine between the ages of 18-29 who reside in Maine at least 8 months of the year. Grant awards are typically \$5,000 or less. The types of projects for which LFF awards grants are typically entrepreneurial in nature, but the Board will entertain ideas for research and economic development projects. All projects must demonstrate the potential to contribute to Maine's economic growth.

Maine Technology Institute (MTI)

8 Venture Ave.
Brunswick Landing
Brunswick, ME 04011
207-582-4790
www.mainetechnology.org

The Maine Technology Institute (MTI) is an industry-led, publicly-funded, nonprofit corporation that offers early-stage capital and commercialization assistance in the form of competitive grants, loans and equity investment for the research, development and application of technologies that create new products, processes and services, generating high-quality jobs across Maine.

MaineStream Finance (MSF)

262 Harlow Street
Bangor, ME 04402
207-973-3509
Matt Lewis
m.lewis@penquis.org
www.mainstreamfinance.org

MaineStream Finance, a Community Development Financial Institution and subsidiary of Penquis, is a non-profit organization dedicated to economic development by providing credit, capital and financial services that are often unavailable from traditional financial institutions.

MSF has several loan programs available to small businesses:

- **Micro loans** of up to \$50,000 for small businesses to purchase inventory, equipment, computers and real estate, upgrade existing equipment and building renovations and improvements.

- **Healthy Foods Options** designed for rural microbusinesses involved in the growing, production and distribution of healthy foods to assist microbusiness owners that want to expand into new food markets. Loans may be used for a variety of purposes that improve and/or increase the capacity to produce and market healthy food products.
- **Power Up Program** provides affordable and accessible financing for entrepreneurs (with 10 or fewer employees) seeking to purchase technology-related equipment and software.

U.S. Small Business Administration (SBA)

202 Harlow Street

Bangor, ME 04401

207-945-2021

James Pineau, Senior Area Manager

james.pineau@sba.gov

<https://www.sba.gov/me>

The Maine District SBA office is responsible for the statewide delivery of SBA's programs which include financial assistance for new and existing businesses through guaranteed loans made by banks and non-bank lenders. The SBA district office can help guide you towards small business-friendly banks. It does not provide direct loans; your lender will submit your loan package to SBA for approval.

Regulations, Licensing and Permits

Where do you start when you need information about permits, licensing, regulations, zoning, etc.? Start with the town hall where your business is located, then contact Business Answers. Here are some resources that can help you.

Business Answers

Maine Department of Economic and Community Development (DECD)
59 State House Station
Augusta, ME 04333
1-800-872-3838 (in state)
1-800-541-5872 (out of state)
business.answers@maine.gov
www.maine.gov/businessanswers

Business Answers, a program of the Maine Department of Economic and Community Development, assists new and existing businesses with start-up and expansion. Through their One-Stop Business Licensing Center, they offer information on all of the state licenses your business is required to have. In conjunction with the online service, they also operate a toll-free 800-line which you can call and get answers to all of your questions, including:

- Starting and operating a business
- State licensing, permits and regulation requirements
- Your business name
- Becoming an employer
- Being self-employed

If they don't know the answer to your business question, they will refer you to someone who does. Governor's Account Executives are available to help with problems and concerns which arise as you work with other State agencies.

Local Town Clerks, Code Enforcement Officers or Planning Boards

Check with your local town clerk, code enforcement officer or planning board for any requirements from the town in which your business is located.

Maine Small Business Advocate

Office of the Secretary of State
148 State House Station
Augusta, ME 04333-0148
207-626-8410
Peggy Schaffer, Small Business Advocate
Peggy.schaffer@maine.gov
<http://www.maine.gov/sos/sba>

Maine's Small Business Advocate serves as an independent voice for Maine small businesses within the state's regulatory system, ensuring it functions fairly and effectively. The Advocate works directly with small businesses of less than 50 employees that have specific grievances with one or more regulatory agency's enforcement actions. The Advocate's top priority is to assist small businesses to understand and comply with Maine's many regulatory requirements.

Red Tape Hotline

Maine Department of Economic and Community Development (DECD)
207-624-7486

If you are a business needing assistance with licensing, permitting or regulatory issues, please call the above number.

Other Resources

If you're interested in getting certified as a disadvantaged, or woman or minority-owned business; looking for information on how to do business with local, state and government agencies; need assistance with importing or exporting; or how to accelerate the growth of your business, these resources can help.

Disadvantaged Business Enterprise Support Services (DBE)

40 Harlow Street
Bangor, ME 04401
207-942-6389

Kimberly Frizzell, Business Services Specialist
kfrizzell@emdc.org
www.emdc.org

The Maine Department of Transportation manages the Maine Disadvantaged Business Enterprise (DBE) program as a way to ensure nondiscrimination and create a level playing field in the award of federally assisted contracts. All disadvantaged, women and minority business owners providing transportation construction or related services are encouraged to apply for certification. The DBE Supportive Services are part of that program and hosted by Eastern Maine Development Corporation. If you are a certified Maine DBE there are a number of services available to you through this program:

- Business counseling
- Orientation to the program
- Information technology
- Website development
- Tuition reimbursement
- EMDC training and events

Maine Center for Entrepreneurial Development (MCED)

30 Danforth Street, Ste. 216
Portland, ME 04101
207-774-8111
info@mced.biz
www.mced.biz

MCED is a private, non-profit that helps Maine's most promising entrepreneurs to grow through innovation. It offers: Lunch and Learns and Table Talks that provide detailed, actionable training especially related to Marketing and Money and the Top Gun track which begins with an open, statewide online course (Top Gun Prep). It continues for some with the selective Top Gun entrepreneurship acceleration program and the MoneyTrack program which provides ongoing coaching, advising and mentoring (especially in non-debt financing strategies) as well as access to monthly training sessions.

Maine International Trade Center (MITC)

Bangor Regional Office
Target Technology Center
20 Godfrey Drive
Orono, ME 04473
207-541-7400
info@mitc.com
www.mitc.com

MITC provides one-on-one trade assistance and consulting to Maine businesses. Trade assistance covers a broad range of areas including foreign import regulations, tariffs, logistics, sourcing, and research reports on best new markets. MITC also offers participation assistance at trade shows, grants to Maine companies working internationally and educational programs.

Maine Procurement Technical Assistance Center (PTAC)

Hosted by Eastern Maine Development Corporation
40 Harlow Street, Bangor, ME 04401
207-942-6389
maineptac@emdc.org
www.maineptac.org

PTAC works with Maine-based companies that are interested in selling their products and/or services to local, state or federal government agencies, either as prime contractors or subcontractors. Maine PTAC's experienced counselors provide a wide range of counseling services to assist Maine PTAC clients who want to market to government agencies and government prime contractors.

FAQS

Here is additional information that you may find helpful.

How do I register my small business?

How you register your business depends on what type of business entity you choose and what activity you are going to be engaged in. If you decide to incorporate or become a limited partnership or a limited liability company, you will need to register that entity with the Bureau of Corporations at the office of the Secretary of State. That office can be reached at 207-624-7736.

If you organize your business as a sole proprietorship (a business owned and operated by an individual) or a general partnership, you do not need to register your business entity with the state. However, there may be certain state, city, or town permits or licenses that are required to operate your business.

Do I have to register my business name? How do I determine if the name I choose is okay to use?

State statute requires that every business enterprise operating under an assumed name must register that name in the city or town in which it is located. This is often called filing a "D/B/A", which stands for "doing business as," and a nominal fee is typically charged. What you do beyond this depends on a number of factors. If you incorporate, become a limited partnership or limited liability company, the name of the business would be registered with the Bureau of Corporations. To determine whether a name you're considering is in use by another corporation, or is protected by a trademark or service mark, you should contact the Bureau of Corporations at 207-624-7736. Unfortunately, proprietorship names are not tracked by any one central agency. However, you can employ the following tactics to safeguard against using another business's name. Check the telephone listings of surrounding communities; your local library should have the various regional directories. You can also check for the name in the *Maine Business and Professional Directory* or the *Maine Register*.

Do I need a business license?

The State of Maine does not license all businesses; however, your business may need state and/or local licenses or permits depending on the particular activity you are engaged in.

To obtain more information about licensing you can contact Business Answers, a program of the Maine Department of Economic and Community Development at 1-800-872-3838 (in-state) or 1-800-541-5872 (out-of-state). The office's operating hours are Monday through Friday between 9 a.m. and 5 p.m. Its One-Stop Business Licensing Center will give you the information needed to obtain the appropriate licenses for your business. You will also need to check with your Town or City Clerk to determine local licensing requirements.

What legal form of business should I choose?

There are four primary legal forms of business from which to choose from: sole proprietorship, partnership, Limited Liability Company and incorporation (both C-corporation and Subchapter S.)

A **sole proprietorship** is owned by an individual (or a married couple) and it may have one or more employees. Operating a sole proprietorship means that the owner is personally responsible for all liabilities of the business. Also, the owner is taxed on a personal level for all profits generated by the business.

A **partnership** occurs when two or more people agree to share ownership of a business. This form of business allows the partners to share complimentary skills and resources. The owners share, and pay personal taxes on the profits of the business. Additionally, each partner is individually responsible for the liabilities of the business.

Another option is to form a **Limited Liability Company (LLC)**. This legal form, which became effective in Maine on January 1, 1996, is a combination of the corporate form (providing limited liability) and the partnership form (allowing you to be taxed as in a partnership).

The **corporate entity** is created when your business registers with the Secretary of State's Bureau of Corporation. This enables the owners to take advantage of the limited liability aspect of the corporate ownership and to raise equity by selling shares of the company. For-profit entities have the option to choose either a **C-corporation** or **Subchapter S-corporation** status. If you become a C-corporation, the corporate profits are taxed, and then the owners will be taxed on their share of the profits and compensation (i.e. dividends and wages) received from the corporation. A **Subchapter S-corporation** does not pay a corporate tax.

If you have any questions regarding these forms of business entities, please feel free to call a Small Business Expert listed in this Guide and seek advice from an attorney.

Do I need a sales tax number and how do I register for one?

If you sell tangible personal property, or provide certain fabrication, rental, or other particular services, you must obtain a sales tax identification number, also known as a seller's certificate, from the State of Maine.

To obtain the appropriate forms you may visit the Maine Revenue Services Website or you can call 207-624-9693. If wholesalers and retailers are reselling your product(s) you would not charge sales tax, but would provide them your sales tax number for a resale certificate. Additionally, you would not charge sales tax to consumers who purchase your product outside of Maine, although they would be responsible for a use tax. Keep in mind that after you register, your sales, regardless if sales tax is charged or not, must be reported regularly to the State of Maine's Sales Tax Division.

Catalog Sales and Internet Sales

A retailer which solicits sales through a catalog or internet web site is responsible for collecting sales tax in Maine if the retailer has a significant presence in Maine. Retailers registered in Maine selling goods to Maine residents must collect Maine

sales tax since the retailer has a presence in Maine and the sale occurs in Maine. This is true regardless if the sale occurred in the retailer's store, if the goods are ordered over the telephone or if the goods are ordered through the retailer's web site.

If the retailer receives orders through mail-order or the internet from non-residents and the goods are shipped out-of-state, the sale is not taxable in Maine. If the retailer is not required to register in Maine, the sales are not subject to Maine's sales tax but the purchaser is subject to Maine's use tax on such a purchase.

How do I register to become an employer?

To register as an employer, you need to obtain a federal Employer Identification Number (EIN) by filing an IRS Application. You will also need to register for state income tax withholding and for unemployment contributions by filing the Application for Tax Registration at Maine Revenue Services' website: maine.gov/revenue, via their online registration service or contact them at 207-626-8475.

Have employees complete and keep in employer's files: Employee's Withholding Certificate W-4 obtained from the IRS and Employment Eligibility Verification Form I-9 obtained from the U.S. Department of Citizenship and Immigration. Obtain Worker's Compensation Insurance from your business insurance carrier. Maine employers are required to report newly hired or rehired employees to the Maine Department of Human Services (DHS) within 7 days. Contact DHS Support Enforcement and Recovery at 207-624-4168 for more information. Obtain and post required labor posters. For more information on becoming an employer, hiring employees or to obtain labor posters, contact the Maine Department of Labor at 207-623-7900.

What type of insurance should I obtain for my small business?

When you start your own business, there are various types of business insurance that should be considered essential and others that, while not essential, may be desirable and add to the security of a business. Most businesses will require some type of general liability insurance and many businesses obtain an "umbrella policy" that covers a variety of risks including personal property, liability, fire, theft, and medical payments.

If you have employees, you will need to obtain workers compensation insurance. Additionally, if your business owns or uses vehicles for business purposes, automobile coverage is necessary. Beyond this, what other forms of insurance obtained depends on what risks are incurred in operating your business, and what kind of supplementary coverage you want to employ to provide additional security for your business.

The following is a list of certain types of insurance that you may need to consider: Key Person Insurance, Flood Insurance, Fidelity and Surety Bonds, Boiler and Machinery Insurance, Product Liability, Business Interruption Insurance, Overhead Expense, Disability Insurance, and Life Insurance. The best course of action is to contact an insurance agent, or several agents, for a consultation regarding the appropriate types of insurance for you and your business.

Business Plan Guidelines

Every business venture can benefit from the preparation of a carefully written business plan.

The purpose of a business plan is to:

1. Help you think through the venture and ensure that you have considered all your options and anticipated any potential difficulties.
2. Convince potential lenders and investors that you are in control of the project and that their money will be safe with you.
3. Serve as an operating guide as you turn your ideas into a viable business.

The following pages provide a suggested outline of the material that should be included in your business plan. The final product should be tailored to fit the circumstances and personality of you and your business.

Business Plan Outline

1. **Cover:** Name, address, and phone number of business. Give your plan a businesslike appearance by typing it on high quality paper and putting it in a vinyl or cardstock binder or a three-ring notebook.
 2. **Title Page:** The business name, address, and phone number, and add the names and addresses of the principal owners. Also show the date of issue of the plan and type "copy number _____" so you can number and control the copies.
 3. **Executive Summary:** A brief (one page) statement of the business plan objectives. Address the following questions and add additional information that will help you achieve your goals. (You may choose to write this page last.)
 - A. What is the purpose of this plan? Will it be used as:
 - An operating guide?
 - A financing proposal?
 - B. What business structure have you chosen (i.e. sole proprietorship, partnership, limited liability, corporation, S corporation)?
 - C. Who are the principals and what are their proportions of ownership?
 - D. Why will the venture be successful?
- For a financing proposal:**
- E. Who is requesting the funds and how much is needed?
 - F. What will the money be needed for?

- G. How will the funds be repaid?
- H. What collateral will be offered to secure the loan?
- I. Why does a loan or an investment make sense?
 - impact on local economy
 - job creation
 - increased tax base
 - investment in the future of the community

4. Table of Contents: A single page showing major topics and page references

5. Description of Business: Answer as many of the following questions as are appropriate:

- A. What business are you in?
 - Type of business: primarily merchandising, manufacturing, or service?
 - What is the nature of the product(s) or service(s)?
 - What will be special about your business?
- B. What market do you intend to service? What is the total market, and what is your expected share?
- C. How can you serve the market better than your competition?
- D. Present status of the business: start-up, expansion of a going concern, or take-over of an existing business?
- E. If you will be doing any contract work, what are the terms? Reference any firm contracts and include them as supporting documents.
- F. Do you have letters of intent from prospective suppliers?

For an existing business:

- G. What is the history of the business?
- H. What does the owner wish to see at this time?
- I. If the business is going downhill, why? How can you turn it around?
- J. How will your management make the business more profitable?
- K. What changes do you plan to make in the business?
- L. What is the purchase price formula? Give breakdown for building, improvements, equipment, inventory, and goodwill.

Note: If it will be a seasonal business, make sure the seasonality is reflected in your narrative and financial projections with appropriate footnotes.

6. Business Location:

- A. What is your business address and why did you choose that location?
- B. Will the building be leased or owned?
- C. What are the terms and length of the lease contract?
- D. What renovations will be needed and at what cost?
- E. Describe the neighborhood (e.g., stable, changing, improving, deteriorating)
- F. What other kinds of businesses are in the neighborhood?
- G. How much can your business expand before you will be forced to move or add on to the present building?

7. Licenses and Permits:

- A. Is your business name registered with the Secretary of State?

- B. State how you will be affected by local zoning regulations.
- C. What other licenses or permits will you be required to obtain?

8. Management:

- A. What is your business and management experience?
- B. What education have you had, including both formal and informal courses that contributes to your managerial abilities?
- C. Are you physically suited to the job?
- D. Do you have direct operational and/or managerial experience in this type of business?
- E. Describe your organizational structure and include a brief description of who does what. (Include an organizational chart if necessary.)
- F. List proposed salaries and wages.
- G. What other management resources will be available (accountant, lawyer, SBDC)?

9. Personnel: Write a paragraph or two about your personnel needs.

- A. What are your anticipated personnel needs?
- B. What skills must your employees have?
- C. Can you use part-time help to meet changing business volume?
- D. Will you have to train people, and at what cost?

10. Insurance: Describe your potential business risks and tell what insurance coverage you will purchase to protect yourself.

11. The Market: Generally explain who needs your product or service and how you plan to reach them.

- A. What is the present size and growth potential of the market?
- B. What percent of the market will you have now and in the future?
- C. Describe age, sex, occupation, lifestyle, income, etc., of your various market segments.
- D. How will you attract and keep your segment of this market?
 - product quality
 - price
 - place
 - promotion
 - persuasion-personal selling
- E. What features or services will you offer that will justify your price?
- F. How will you handle credit sales?
 - extend your own credit
 - accept major credit cards

12. Competition: Briefly describe your competition and tell how their operations are similar and dissimilar to yours. What is your unique selling proposition and how will you use it to control your market share?

13. Financial Data:

- A. Source and application of funds statement
- B. Capital equipment list

- C. Current balance sheet and income statement (less than 90 days old)
- D. Break-even analysis
- E. Projected income statement
 - detail by month, first year
 - detail by quarter, second year
 - notes of explanation and assumptions
- F. Cash flow projections
 - detail by month, first year
 - detail by quarter, second year
 - notes of explanation and assumptions
- G. Projected balance sheet
 - Notes of explanations and assumptions
- H. For an existing business
 - income statements
 - balance sheets and/or
 - tax returns for past three years

14. Supporting Documents:

- A. Personal resumes for all principals
 - B. Personal financial statements for all principals
 - C. Letters of reference
 - D. Letters of intent from prospective suppliers or customers
 - E. Copies of all leases, contracts, or agreements, deeds, or other legal documents
 - F. Any other information that might help your cause or answer potential questions
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For more information or if you have specific questions please contact the Maine Small Business Development Centers at 800-679-7232 or 207-780-4420.

What are some of the telephone numbers I need to know?

Telephone Numbers:

Business Answers: 800-872-3838 (in state) or 800-541-5872 (out of state)

IRS Forms: 1-800-829-3676 or www.irs.gov

Maine Bureau of Corporations, Elections and Commissions: 207-624-7736

Maine Department of Economic and Community Development:
207-624-9800

Maine Department of Human Services:
Support Enforcement and Recovery: 207-624-4168

Maine Department of Labor: 207-623-7900

Maine Revenue Services :
Sales tax questions: 207-624-9693
Income tax questions: 207-626-8475

Maine Small Business Development Centers: 207-780-4420 or 800-679-7232

U.S. Department of Citizenship and Immigration Services: 1-800-375-5283

Didn't find what you're looking for?

Call the:

Maine Small Business Development Centers

At:

800-679-7232 or 207-780-4420

Email: mainesbdc@maine.edu

www.mainesbdc.org

We will be happy to assist you with your small business questions or help you find the right resources.

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