

# Starting a Farm or Business

**Small Business Definition** - 500 employees or less.

**47% of all small businesses succeed** in the first 4 years, which means, 53% fail during this time.

To start a **Business**, you will need:

**Business Plan** – How will you make your business succeed?

**Marketing Plan** - How will you let the public know about your products?

**Contact Person** – Chief Executive Officer (CEO)

**Attorney** – For Legal Counsel

**Accountant** – Prepare statements for Income, Expense, Depreciation, Employee Wages, Taxes, etc.

**Bookkeeper** – Keep Track of day-to-day Income, Expense, Wages, Sales & Purchases

**Contingencies** – Disaster Plan, Exit Strategy, Partner Agreements etc.

**Financing** – Investors, Savings, Loans or Grants

**Mentor** – For advice and direction

\* Consider:

**LLC** for businesses less than \$100,000.00

**S-Corp** for businesses over \$100,000.00

**C-Corp** for businesses that will sell stocks

*NOTE – non-profits CAN own a for-profit business*

## TIPS

\* Always sign a **Pre-Nuptial Agreement** with your business partners stating what each brought to the business and what is expected if and when they leave.

\* Sign a **Buy/Sell agreement** spelling out how business shares will be transferred.

\* Have a **Disaster Plan**; what will you do in case a fire, tornado, earthquake or flood hits your business.

\* Always **sign business documents** on behalf of the Business, i.e., “**Your Name – Your Title – Business Name**”

\* **Business & Marketing Plan templates and instructions** can be found FREE online or through purchased software.

---

## Tips About Farm Business Structures

A sole proprietorship is where the single owner operates the business. A partnership is owned by two or more individuals. A corporation is a separate legal entity from its business owners (the shareholders).

[www.legalzoom.com/articles/difference-between-sole-proprietorship-partnership-corporation](http://www.legalzoom.com/articles/difference-between-sole-proprietorship-partnership-corporation)

---