

Small businesses are a foundation of a healthy city, and the destination for most who want to start a business. We'd like to help make starting a business more manageable and welcome you to the Modesto business community.

9-STEP BUSINESS STARTUP GUIDE

Modesto Economic Development



You've Got This!

Starting a business may be the biggest challenge you will ever face, but look around, and you will see that many people like you have succeeded in starting and building a business.

Like all complex challenges, it will be easier if you break it down into steps. At each step, you will learn a lot of new things and gain expertise. When you carefully put all the steps together you can become the business owner you've dreamed about. You will need lots of help from family, friends, experts and experienced business owners along the way. Stay positive and focused! We want to help you succeed and hope this guide will help you go in the right direction.

1

Develop your business plan

A business plan allows you to detail your goals and operations, service and product offerings. A business plan is essential in securing financing and will help lower your risk.

First, you'll want to do Market Research to estimate demand for your product or service and gauge how you will perform against the competition you're likely to face. Google Maps search can show the locations and names of potential competitors, just enter the kind of business in the search box.

From your market estimates you'll develop an operating plan that determines your property, equipment, inventory and staff needs based on forecasted sales; a sales and marketing plan to reach and win customers, and a financing plan to bridge you from start to positive cashflow and profit.

Here are resources that can help you do your market research and develop a strong business plan:

- Business Plan templates and consultation are available through the [Valley Sierra Small Business Development Center \(SBDC\)](#).
- The [U.S. Small Business Administration \(SBA\)](#) offers tools to help small businesses thrive. District offices are in San Francisco at 455 Market Street, Sixth Floor San Francisco, CA 94105 (415) 744-6820 and in Fresno at 801 R St., Suite 201, 559-487-5791
- [SCORE](#) (Service Corps of Retired Executives) provides training, mentoring and free counseling services to small business owners and entrepreneurs. Modesto-Merced Main Office 1114 J Street, (800) 634-0245



2

Choose your business structure

Your business will be structured as a sole proprietorship unless you set up another type. To use another structure, contact the [California Secretary of State](#) to establish a corporation, partnership, or a limited liability company. The California Secretary of State office is at 1500 11th Street, Sacramento, CA 95814 (916) 657-5448. For local assistance, contact the [Valley Sierra Small Business Development Center](#).

3

Your name matters

Your business name is an important part of the impression you will make on your prospective and current customers. It is the first thing people will see in your social media accounts and your website. Test name candidates with people who will give you honest feedback and then check to make sure that the name is available to use – it cannot cause confusion with another business name in a similar business in your trading area which might be your city or county. If you plan to operate nationally, it will take more work to get a positive name that people will remember and repeat.

If your business name will be anything other than your first and last name, you must file a Fictitious Business Certificate with the [Stanislaus County Clerk Recorder](#) 1021 I Street, Suite 101, Modesto, CA 95354 (209) 525-5250.

4

Separate your finances

Establish a business account, separate from your personal account. This will build credit for your business, improving access to loans and lines of credit. It also helps with tax filing. Contact the bank or credit union of your choice directly to establish a checking account for your business.



5

Apply for financing

With a complete business plan and proof of creditworthiness, you'll be able to seek financing. Friends and family are the typical first level of financing. Credit cards and kick starters can help in the beginning. Check independent microlenders (lending \$50,000 or less) to government-backed loans (lending a maximum of \$2 million) from the US Small Business

Administration (SBA). You will need to qualify for loans by meeting the lending standards of these institutions and their program criteria.

- Banks with local branches that offer SBA federally backed loan services can be found at: [US Small Business Administration](#). Click through Loans > Find a Lender. You can get additional advice and assistance from the [Valley Sierra Small Business Development Center](#).
- Credit Unions such as [Valley First Credit Union](#) a [MOCSE Credit Union](#) are strong community advocates and a good source for banking and financing.
- Community Development Financial Institutions (CDFIs) share a common goal of expanding economic opportunity in low-income communities by providing access to financial products and services for residents and businesses. [Valley First Credit Union](#) and [MOCSE Credit Union](#) are registered CDFIs.
- [Stanislaus Equity Partners](#) operates a microbusiness development hub and provides access to technical assistance, one-on-one support, and affordable lending options for local small businesses.
- [Kiva](#) is a community/crowd funding tool which facilitates investments from friends and family, with zero interest loan potential to \$15,000.

6

Check the zoning of your planned address

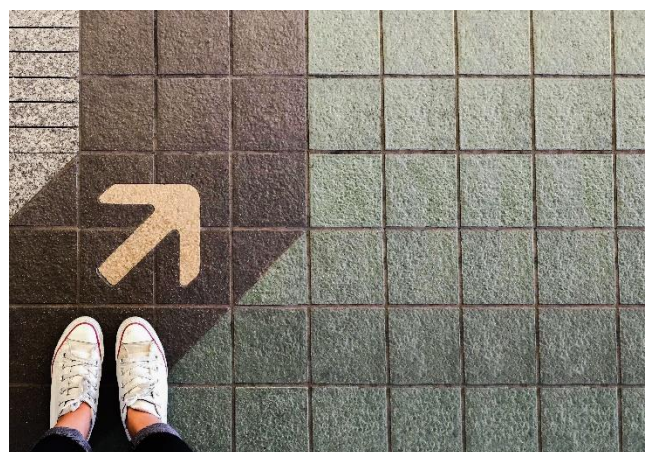
Don't sign a lease before checking the property's zoning. Be aware that zoning may not be accurate in a real estate brochure. Contact the [Modesto Planning Division](#) to find out what zoning designations will work for your business. If you know the property's address, you can find out what its zoning is in the Modesto [Geographic Information System \(GIS\)](#).

7

Which city permits will you need?

Depending on the combination of intended use and location, your business may need to obtain conditional use and/or sign permits. If so, you can often arrange a lease contingent upon receipt of the necessary permits. [City of Modesto Planning Division](#) 1010 Tenth St., Modesto, CA 95354 (209) 577-5267.

Permits help ensure Modesto maintains a safe, attractive, and visually cohesive environment for all to enjoy. Depending on your activities, you will work with the Modesto Planning, Economic Development, and Building Divisions, and in some cases, City commissions.



Common City of Modesto permits include:

- Sign Permit (Planning Division),
- Conditional Use Permit (Planning Division),
- Design Review (Planning Division),
- Building Permit (Building Safety and Neighborhood Preservation Division).

Even if you are only modifying the interior of a leased space, you will need a Tenant Improvement permit. Minor permits can sometimes be obtained on the day of application. [City of Modesto Building Division](#) 1010 Tenth St., Modesto, CA 95354, 209-577-5232.

8

Don't forget your business license!

[City of Modesto Business Licensing](#)

- [Business License Online Application](#): Required for Home, Commercial and Outside businesses. Only one submission of the Business License Application is required for each business.
- [Printable PDF - Business License Application](#): Printable PDF submissions may be used instead of the online form, but it must be mailed in. Required for Home, Commercial and Outside businesses.
- [Home Business Agreement Online Form](#): Required for a Home Business license. Only one submission of the Home Business Agreement is required. You must also submit your [Business License Application](#).

Printable PDF submissions may be used instead of the online form, but it must be mailed in. You must also submit your Business License Application.

9

Is your business in food service?

Food service businesses are inspected and permitted by the [Stanislaus County Department of Environmental Health](#), 3800 Cornucopia Way, Suite C, Modesto, Ca 95358 (209) 525-6700. You will need to pass their inspections before you can operate your business.

If you plan to operate as a Sidewalk Vendor, you will need a permit. Visit Modesto's [Sidewalk Vendor](#) page to get a [Permit Application](#) and a required [Supplemental Questionnaire](#).

More Resources

[California Office of the Small Business Advocate](#) - Business Learning Center has a variety of guides and information to help you start, manage and grow your business.

[California Office of the Small Business Advocate - Permit Center](#) to help you plan and navigate permitting for your business.

California Secretary of State BizFile - has a good [startup checklist](#) for forming and registering your business.

Community and Economic Development

Economic Development Division

<https://modestogov.com/1239/Economic-Development>

<https://choosemodesto.com>

[LinkedIn](#)

econdev@modestogov.com

[Join the Economic Development Email List](#)

209-571-5566