



# *Starting A Business in Worcester*



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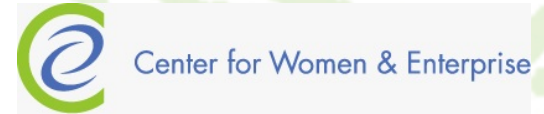
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MASSACHUSETTS

# Worcester Business Resource Alliance



## The 10 Steps to Success:

**ONE**

Gather Information &  
Self-Assessment

**SIX**

Select a Business Site

**TWO**

Create a Business Plan

**SEVEN**

Complete Licensing and  
Permitting Requirements

**THREE**

Register your Business  
Name and Legal Structure

**EIGHT**

Arrange to Pay your Taxes

**FOUR**

Assemble Financing

**NINE**

Address Employer Responsibilities

**FIVE**

Explore Incentive Programs

**TEN**

Learn about Ongoing Services





# STEP

# ONE

## Gather Information & Self-Assessment



### City of Worcester

455 Main Street, 4<sup>th</sup> Floor, Worcester, MA 01608  
(508) 799-1400 [www.worcesterma.gov](http://www.worcesterma.gov)



### Worcester Public Library

3 Salem Square, Worcester, MA 01608  
(508) 799-1655 [www.mywpl.org](http://www.mywpl.org)



### Small Business Administration – Boston District

10 Causeway Street, Room 265, Boston, MA 02222  
(617) 565-5590 [www.sba.gov](http://www.sba.gov)



### Worcester Business Resource Alliance

[www.wbra.wordpress.com](http://www.wbra.wordpress.com)

## Why should you create a business plan?

- Clearly define your value proposition & differentiation
- Set goals, timelines, and benchmarks
- Perform industry/market research
- Analyze the competition
- Define the ownership, management, and organizational structure
- Create a marketing plan to acquire customers
- Identify sources and uses of funds
- Evaluate feasibility of success
- Think about possible exit strategies

*\*A business plan is often required for loan applications*



Many of the Worcester Business Resource Alliance organizations can provide feedback and assist with the development of your business plan.

## What is the ownership structure of the business?

- Sole Proprietorship
- Limited Liability Company
- Partnership / Limited Partnership
- Corporations
- S Corporations

### *How do the entities differ?*

- Number of owners
- Tax classification
- Liability exposure

*Depending on the type of ownership, different requirements may need to be addressed:*

### Business Certificates:

**Office of the City Clerk**

City Hall, Room 206

<http://www.worcesterma.gov/city-clerk/certificates-licenses/business-certificates>



### Corporate Filings:

**Secretary of the Commonwealth**

One Ashburton Place, 17th Floor, Boston

(617) 727-9640 [www.sec.state.ma.us/cor/](http://www.sec.state.ma.us/cor/)





**Develop a relationship with your local bank:**



- Banks typically provide the lowest cost of capital
- Business that do not require financing still need transactional accounts

**Speak to a Commercial Loan Officer about your needs:**

- Term Loans, Lines of Credit, Contract financing, Real Estate / Equipment Loans, etc.
- Credit and collateral will be important for bank loans

**Have you been denied conventional financing?**

Non-profit / alternative lenders:

The SBA does not lend directly to businesses, but it has a multitude of programs administered through local lending partners.





The City of  
**WORCESTER**

**MICROLOAN**  
**PROGRAM**

**MISSION:**

To assist in the creation of new small businesses and expansion or retention of existing small businesses by providing short- and long-term, fixed-rate, low-interest, gap financing loans to qualified borrowers.

**APPROVED USES OF FUNDS:**

- Working Capital
- Purchase of Equipment
- Purchase of Inventory
- Renovations / Rehabilitation

**LOAN AMOUNTS:**

Loans typically range from \$10,000 to \$25,000.

**TERM:**

Amortization periods may range from one (1) to ten (10) years.

**FUNDING SOURCE:**

HUD Community Development Block Grant

- Federal requirements apply
- Funding for the program is limited and subject to availability.





The City of  
**WORCESTER**

**FAÇADE PROGRAM**

**MISSION:**

To leverage private investment in the physical and aesthetic improvement of commercial properties with first floor/street-level storefronts and enhance the attractiveness and economic vitality of targeted areas within the city of Worcester.

**FUNDING AMOUNT:**

- 75% of total project cost
- Ranges from \$15,000 - \$30,000 depending on location

**ELIGIBLE ACTIVITIES:**

- Lighting
- Signage
- Windows
- Doors
- Awnings
- Painting
- Entryways

**FUNDING SOURCE:**

HUD Community Development Block Grant

- Federal requirements apply
- Funding for the program is limited and subject to availability.

# STEP

# FIVE

## Explore Incentive Programs

*...continued*

### *Façade Project Example: 455 Pleasant Street*



*Before*



*After*



**Location is a key factor in the success of your business. You should consider your needs, budget, and target market when choosing a site for your new business.**

### Site Search Assistance

Administered by the City's Business & Community Development Division, this program is designed to identify available land and building space in coordination with local real estate professionals and property owners.

For more information contact:

**EDGAR LUNA**

**Business Development Manager**

[LunaE@worcesterma.gov](mailto:LunaE@worcesterma.gov)

**508-799-1400 x31420**

### Home Occupations

*Are you interested in operating a business out of your home?*

- Home occupations are allowed as accessory uses in residential districts, subject to certain conditions and limitations. *Consult the Zoning Ordinance, Article IV, Section 8.*





**License Commission**

- Liquor Licenses
- Common Victualer (Food)
- Sidewalk Cafés
- Entertainment
- Automatic Amusement
- Pool Tables / Bowling Alleys
- Newsracks

**Zoning Board**

**Of Appeals**

- Special Permits
- Variances

**Inspectional Services**

*Inspections*

- Building
- Health

*Permits / Licenses*

- Occupancy
- Building
- Electrical
- Plumbing
- Mechanical
- Gas
- Signs
- Food Establishments
- Food Trucks
- Body Art Facilities
- Caterers
- Tanning Facilities
- Tobacco sales

*Zoning*

*Determinations*

**Police Licensing Unit**

- Liveries / Taxis
- Hawkers & Peddlers
- Pawnbrokers
- Used Car Sales
- Fortune Tellers

**Fire Department**

- Auto Body Garages
- Car washes
- Fire alarm / sprinkler installations / inspections

**\*\*\*In addition to these local authorities, some operations may have state and/or federal license requirements\*\*\***

**Massachusetts Department of Revenue**

200 Arlington Street, Chelsea

(617) 887-6367 [www.mass.gov/dor/business](http://www.mass.gov/dor/business)

- Sales / Use Tax
- Business Income
- Employment Tax
- Excise Tax

The DOR periodically hosts Small Business Workshops to provide information and to answer questions about the state tax environment.

**City of Worcester**

Some businesses are responsible for paying local taxes.

- Real Estate Property Taxes
- Business Personal Property Taxes

Rates and payment methods can be found on the

**City Assessor's** webpage:

<http://www.worcesterma.gov/finance/taxes-assessments>

**Internal Revenue Service**

120 Front Street, Worcester

(508) 793-8227

[www.irs.gov/business](http://www.irs.gov/business)

- Federal Employer Identification Numbers (EINs)
- Income Tax
- Employment Tax
- Excise Tax





# STEP

# NINE

## Address Employer Responsibilities

### Insurance

#### *Workers' Compensation*

State law requires employers to carry workers' compensation insurance for their employees, including family members.

#### *Unemployment Insurance*

Employer contributions finance the state's unemployment compensation fund, which provides insurance benefits to eligible, temporarily unemployed workers.

*For more information about these two responsibilities, visit the state's Executive Office of Labor and Workforce Development webpage:*

[www.mass.gov/lwd](http://www.mass.gov/lwd)

**Consult your local insurance agent about other policies and coverage that may be important to protect you and your business.**

### Department of Revenue

In addition to the **employment tax** referenced previously, employers have the following responsibilities:

- Income Tax Withholding
- Annual Wage & Tax Statements (W-2)
- Wage Reporting

In some cases, employers may also have a role in enforcing child support. [www.mass.gov/dor](http://www.mass.gov/dor)

### Employee Relations

There are a variety of other required practices related to employees. These can include the hiring process, compensation and benefits, discrimination, termination of employment, and more.

A great resource for these topics is the *Society for Human Resource Management* [www.shrm.org](http://www.shrm.org)



In addition to helping entrepreneurs make their business dreams a reality, many of the *Worcester Business Resource Alliance* organizations provide assistance to existing businesses who are facing challenges or looking to grow.

- **Continuing Education**
  - Workshops, seminars and programs
- **1-on-1 Assistance**
  - Consultation and mentoring
- **Professional Growth Opportunities**
  - Networking and referral groups
  - Local Business Associations

