

# 10 Essential Steps To Starting A New Business In Arizona

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## 01 Pick a Name

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Make sure the name is available. You may be forced to change your business name if you later find out another business was using the name before you.

- Search the [Arizona Corporate Commission](#) to see if the name is available. \*Consider filing a Reservation of Name in some circumstances.
- Search [GoDaddy.com](#) to make sure the domain is available. Purchase the domain name if it is available.
- Search the [U.S. Patent & Trademark Office](#) to see if the tradename is available. \*Consider filing a tradename application in some circumstances.
- Search [google.com](#), [yahoo.com](#), and [bing.com](#) to see if any other businesses are operating under the same name.

## 02 Form Your Business Entity

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There are several entity types – each with its own level of liability protection and tax advantages.

- Pick the entity structure. Popular options include LLCs, Corporations, Limited Partnerships, etc. Hint: If you do not select an entity, you will be Sole Proprietorship, which has many drawbacks.
- File the appropriate formation documents with the [Arizona Corporate Commission](#) or [Secretary of State](#), depending on the entity you choose. Call us at (602) 845-0152 for help.
- Apply for an [Employer Identification Number \(EIN\)](#) with the [I.R.S.](#) You will need this to open a bank account.
- Prepare your internal legal documents. Consider hiring an attorney for this step; these documents are very cumbersome and very important. Call us at (602) 845-0152 for help.

## 03 License Your Business

Most cities require a business license especially for product sales. There are penalties (fees) for failing to timely apply for a license.

- Research your city licensing requirements. For example, Phoenix does not require a license for service-oriented businesses. However, Glendale does.
- If your city has licensing requirements, fill out the appropriate paperwork and pay the filing fee.
- If your profession is required to be licensed by the state, file for your license. Examples include psychologists, doctors, lawyers, realtors, cosmetologists, CPAs, and nurses.
- If your profession is required to be licensed by the federal government, file for your license. Examples include pilots, commercial radio operators, technicians recycling Freon, and intellectual property attorneys.

## 04 Formulate a Business Plan

A business plan defines the business' objectives in a concise manner, providing direction and strategy to achieve your goals. Often, it can be helpful for lenders, employees, customers, and the business owner to review.

- Research all the available resources to help with your business plans. Check out the [SBA Business Plan Tool](#).
- Include an executive summary, description of the products or services offered, profile of the target customer, analyze the competition and market trends, and forecast sales growth and profits.
- Before sharing your business plan with anyone, make sure you have an attorney prepare a nondisclosure agreement for that person to sign.
- Call us if you need help. Business plans are comprehensive but an experienced business attorney can make all the difference.

## 05 Pick a Business Location

There are many options to choose from including retail space, online, office-shares, and many other options.

- Decide if you really need a physical location. Many small businesses operate online, at a coffee shop, or in a co-working space.
- If you decide on a physical location, decide whether you want to buy or rent. For purchasers, look into real estate loans or [SBA Loans](#).
- For physical locations, do a lot of research. Find a location that is close to customers, suppliers, and distributors.
- Have an attorney review a purchase or lease agreement prior to signing. The best time to involve a lawyer is at the Letter of Intent (LOI) stage. For help, call us at (602) 845-0152.

## 06 Get Insurance

Every business needs insurance. This is one of the most important things a business owner can do yet it is frequently overlooked or ignored.

- Research different insurance brokers until you find one you are comfortable with.
- Get general liability insurance that includes property damage, personal injury, and advertising injury. Every business should have general liability insurance.
- Get Worker's Compensation Insurance. It's required in Arizona even if you only have 1 employee. Here is an [Employer's FAQ Guide to Worker's Comp](#).
- Consider other insurances including an umbrella policy, cyber liability, professional liability, and key-man insurance.

## 07 Protect Key Business Relationships

Clients, independent contracts & subcontractors all need contracts in place to protect and formalize the business relationship. Contracts are very tricky so call us at (602) 845-0152 for help.

- Have an attorney draft a client or customer service agreement for all clients or customers to sign prior to receiving services at your business.
- Identify all suppliers, distributors, vendors, and logistic providers. Speak with an attorney to prepare a contract for these providers.
- Prepare a nondisclosure/confidentiality agreement prior to discussing business matters with any potential investors, vendors, distributors, or employees. An attorney should assist with this.
- Prepare an employment or independent contractor agreement prior to hiring anyone. An attorney should assist with this.

## 08 Create an Online Presence

Online presence includes developing a website and creating social media profiles. Most consumers start looking for a new business by searching google and social media.

- Create a mobile-ready website. Well over 60% of internet users are accessing the internet through their mobile devices.
- Make sure your website includes a Privacy Policy and Terms & Conditions. Call us at (602) 845-0152 for help.
- For pictures, graphics, or content that you did not create, get permission from the owner before you use them. Many stock sites allow free commercial usage, like [Pixabay](#) & [Unsplash](#).
- Create social media accounts on sites frequented by your target customer. Post frequently.

## 09 Hire Employees

As your business grows, you will need employees to support you.  
Hire the right people and be a good boss for optimal success.

- Correctly identify whether the worker is an employee or independent Contractor. The I.R.S. has provided a [helpful overview](#).
- Depending on the type of worker you hire, prepare an employment agreement or independent contractor agreement. Call us at (602) 845-0152 for help.
- Employees must fill out [Form I-9](#), [Form W-4](#), and [Arizona Form A-4](#).
- You must provide employees with a [Notice of Health Insurance Coverage Options](#).

## 10 Get Help

We've all been there. It's difficult setting up a new business.  
There are resources available.

- Visit our website at [www.InnabiLaw.com](http://www.InnabiLaw.com) or call us at (602) 845-0152 for more resources.
- Visit the Small Business Development Center at [www.maricopa-sbdc.com](http://www.maricopa-sbdc.com) or call (480) 784-0590 to speak with a business counselor or get more resources.
- Visit SCORE at [greaterphoenix.score.org](http://greaterphoenix.score.org) or call (602) 745-7250.
- Visit the Arizona Small Business Association (ASBA) at [www.asba.com](http://www.asba.com) or call (602) 306-4000.

## BONUS TIPS BELOW!



## Bonus #1 Acquire And Protect Intellectual Property (IP)

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IP assets include trademarks, copyrights, trade secrets, and patents. Acquiring and protecting IP is vital for many businesses.

- Do an intellectual property audit for your business to identify any IP your business may own.
- List any IP you may need to use or acquire. Consider conducting a Freedom to Operate review before launching any new product, process, or feature. An IP attorney will help with this.
- Only discuss trade secrets with essential personnel who have signed nondisclosure/confidentiality agreements.
- Routinely monitor your IP for possible infringement.

## Bonus #2 Manage Your Employees & Independent Contractors

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As you grow and develop a team, new challenges will arise. Keep the items listed below in mind.

- Everyone should sign a nondisclosure/confidentiality agreement.
- Create a Social Media Policy with guidelines for employees' use of social media. Distribute widely.
- Set up payroll through companies like [ADP](#) and [Paychex](#) or through a CPA.
- Post all notices required by your insurance providers and the Department of Labor.

MORE INFO BELOW!



# SEE HOW WE CAN HELP

Have a legal issue? Wonder what it's like to work with Mae Innabi and her team? Call the number below to schedule a NO CHARGE 20-minute consultation with Mae. She will address your legal concerns and give you a game-plan to move forward.



call us anytime  
**(602) 845-0152**



## About Mae Innabi

Ms. Innabi is an attorney, business-owner, and unshakable advocate dedicated to helping her clients reach new levels of success. She provides strategic legal counsel and business leadership to Arizona's most successful & emerging small businesses. As a native Arizonan, she has unique insight into the business and real estate markets dominated by her clients. She is the recipient of the 2018 Super Lawyers Rising Star Award, awarded to only 2.5% of attorneys in the country & her firm, ILF, Innabi Law Firm PLLC is an AV-Preeminent Rated Law Firm by Martindale-Hubbe, the highest rating available for professional excellence.