Setup
Determine the best legal structure for your business in conjunction with business advisors (attorney, CPA, etc.). Understand regulatory issues in your industry and file appropriate permits and licenses. Register your business and domain name.

Why does setup matter?
Starting a new company engages an entrepreneur in a series of one-time decisions and setup steps to get ready to do business. From selecting a company name to determining the right legal structure, you will want to work closely with your business advisors to make the best decisions for your company considering its industry and your plans. In addition to registering your business and domain name and obtaining a tax identification number (if applicable), you will need to understand regulatory issues in your industry and file appropriate permits and licenses.

Key actions to take
Getting set up to do business legally is an exciting, but sometimes stressful, time for any entrepreneur. Work through your startup task list to get ready to serve customers.

• **Select a name.** Before you register your new company, you will need a name. That name will likely need to be distinctive from other existing companies. (Distinctiveness requirements vary by state and can be best understood by viewing your state-specific filing requirements or by consulting an advisor, e.g., attorney, CPA, consultant, etc., about these requirements.)

• **Choose a legal structure:** Selecting a legal structure for your business has an impact on your business and personal liability, funding options and taxes. Will you run your company as a sole proprietorship, LLC, partnership, corporation, non-profit, etc.? Consider the complexity of your business, but keep in mind, your structure may evolve as your business grows and develops. The actual registration process and requirements vary by state, locality and legal structure. Many businesses will also need to register for a Federal Employer Identification Number (EIN). There are resources and advisors to help you choose the best legal structure and go through the registration process.

• **Obtain permits and licenses:** To comply with municipal, state and federal regulations, start by reviewing the state and local business and corporations websites — both where you are domiciled and where you will do business — to understand the permits, licenses and operating fees needed to legally run your business. Your state, locality, industry and business model can affect which permits, licenses and regular filings you will need.

---

### Legal structure:

<table>
<thead>
<tr>
<th>Structure</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole proprietorship</td>
<td>43%</td>
</tr>
<tr>
<td>LLC</td>
<td>14%</td>
</tr>
<tr>
<td>General partnership</td>
<td>29%</td>
</tr>
<tr>
<td>Corporation</td>
<td>10%</td>
</tr>
<tr>
<td>Other</td>
<td>10%</td>
</tr>
</tbody>
</table>

Startup companies favor sole proprietorships and LLCs.

<table>
<thead>
<tr>
<th>Structure</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole proprietorship</td>
<td>39%</td>
</tr>
<tr>
<td>LLC</td>
<td>5%</td>
</tr>
<tr>
<td>General partnership</td>
<td>19%</td>
</tr>
<tr>
<td>Corporation</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>31%</td>
</tr>
</tbody>
</table>

Corporations are more prevalent with mature companies.

---

### Top 4 advisors that startup businesses turn to:

1. Another business owner
2. CPA
3. Banker
4. A business consultant
including labor law filings, sales taxes, professional licenses, environmental and OSHA compliance, industry-specific regulatory filings, business licenses, employee immigration verification and more. You may also be required to obtain various types of insurance for your employees like disability insurance and workers’ compensation, and you will have to make decisions about providing health insurance. You can assemble this information yourself or turn to a business advisor or consultant for support.

- **Register business domain name**: Securing your business’s domain name will protect your business in the long run. In the short run, getting a website up and running is important to promote a baseline awareness and presence for many startup businesses. Be sure to check that the domain name you have selected is not a registered domain name or expired domain name with any problems. (There are companies that can help you with this selection.) Getting email up and running comes next as well as designing your web presence and any ecommerce or social media — Twitter, Facebook, LinkedIn, other — you will need for your business. There are many companies and agencies that can help you with email and website hosting to fit your requirements. Remember to register yourself as the owner and administrator of the domain name.

- **Consider trademarks, service marks and DBA.** Setting your brand and marketing presence may offer opportunities to “mark” your product or service names. If you do, you will need to file trademark and service mark applications to protect those future investments in your brand as the company develops. Trade and service marks can happen at the state and/or federal level (or both) and must meet specific mark requirements to ensure your mark is unique, does not infringe on other approved marks or mark applications, etc. An attorney or consultant with special trade/service mark expertise can help you here. Also, if you weren’t ready to commit to the company name you want to use to do business at the time you selected your business name, you have a chance to choose another for your DBA (Doing Business As) name. Again, there are specific state requirements for selecting and using a DBA, and there are advisors who can help with this process.

---

**Click below for additional resources:**

- **Partners for Life?** Partnerships bring people, skills and assets together.
- **Is Sole Proprietorship Right for You?** Consider whether you should be a sole proprietor.
- **10 Steps to Starting a Business** Take these steps for proper set-up of a new business.
- **What You Should Know About S Corporations vs. LLCs** Find the business structure that’s best for your business.

---

**Let SunTrust know how we can help your business.**

- Drop by your SunTrust branch
- Call us at 800.752.2515
- Visit suntrust.com/bizbestpractices

---

1 SunTrust conducted research with 532 small business owners ranging from $100,000 to $2,000,000 in annual revenue in the first quarter of 2018. Startup companies are those with business tenure of 5 years or less. Mature companies are those with business tenure of 20+ years.

SunTrust Bank, Member FDIC. ©2018 SunTrust Banks, Inc. SUNTRUST and the SunTrust logo are trademarks of SunTrust Banks, Inc. All rights reserved.