

# **SLAUGHTERCUTZ PRESENTS**

The Beginner's Guide to Structuring Your Business  
Operation and Establishing Business Credit

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Published by Slaughtercutz

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# INTRODUCTION

The average Barber/stylist goes into business and neglects to complete a business plan that helps to organize their business operation. Striking out on your own can be a scary thing. For example:

One day you are giving a service to a customer, and you accidentally cut them, or a product you used on them gave them an allergic reaction. Of course, they didn't make a big deal about it, but a couple of weeks later, you receive a letter in the mail from a lawyer stating that their client is suing you. How do you react to this situation? What necessary steps do you take?

Setting up a business entity, such as a corporation or limited liability company, keeps your personal assets from being at risk in the event your business is sued or incurs debt. Without the protection of a separate business entity, your personal assets, such as your home, car, and savings, could be seized, in order to satisfy any judgments or obligations of your business. That is why having a business entity set up properly is essential for the success and longevity of any business.

A business entity refers to the legal structure of a business, such as a sole proprietorship, partnership, corporation, or limited liability company (LLC). Choosing the right business entity can provide several benefits. In short, having a business entity set up properly is essential for protecting your personal assets, establishing credibility, facilitating growth and reducing tax liability. It is important to carefully consider the various options and consult with a lawyer or accountant before choosing a business entity.

# PART 1

## *SETTING UP YOUR BUSINESS*

In this part, I'll provide clear steps to set up your business.

1. Make a business plan. A business plan is designed to articulate your vision.
2. Create a Unique Business name and be sure to research that name, to be certain no one is using it.
3. Trademark your business name. Google (USPTO) to make sure no one is using your business name. I suggest utilizing YouTube “How to get a trademark without a lawyer”. Sara Shikhman, Esq YouTube channel is an excellent resource. She walks you step-by-step, through registering your trademark.
4. Register for the business name. This can be a lengthy process, so practice patience when registering for your business name. If you have the financing, you could also pay LegalZoom to register the business name.

# PART 2

## *CHOOSING YOUR BUSINESS ENTITY TYPE*

Sole proprietorship, Limited Liability company (LLC), S Corp are the different type of business entities. Go through each description to decide which best matches your business.

- Sole proprietorship/EIN ([irs.gov](https://www.irs.gov))-A sole proprietorship is the simplest and most common structure chosen to start a business. It is an unincorporated business owned and run by one individual with no distinction between the business and you, the owner.
- LLC-a business structure in the U.S. that protects its owners from personal responsibility for its debts or liabilities.
- S Corp- a business entity that has elected to pass its corporate income, losses, credits and deductions to its shareholders to include on their tax forms.

# PART 3

## *SETTING UP YOUR BUSINESS ESSENTIALS*

In this part I'll detail what you will need to be a legitimate business.

- **EIN (Employer/tax Identification Number)** – This can be obtained through [www.irs.gov](http://www.irs.gov) for free. An EIN, or Employer Identification Number, is a unique nine-digit number assigned to a business by the IRS. It is used to identify the business for tax purposes and to track financial information. Obtaining an EIN is important because it allows a business to open bank accounts, hire employees, and file tax returns. It also helps establish the business as a separate entity from its owners. Overall, an EIN is a crucial component of running a successful and compliant business.
- **Business checking account (you can open a business account with any bank)** – A business checking account is important because it helps to separate your business finances from your personal finances. This can make it easier to manage your business expenses, track your income, and maintain accurate financial records for your business. It can also make it easier to apply for business loans and other forms of financing.
- **Business email** – A business email is essential for effective communication with clients and colleagues. It helps to establish a professional image and can improve productivity by streamlining communication. Additionally, a business email can facilitate organization and collaboration within a company. I strongly suggest you stay away from Gmail and yahoo domains, however, if you don't have the capital to pay for a professional email, you can use Gmail or Yahoo. There's plenty of websites available that will provide you with a professional email. I personally have used wix to set up my professional email. Here are some examples of the professional email addresses.
  - [firstname.lastname@domain.com](mailto:firstname.lastname@domain.com)
  - [firstinitial.lastname@domain.com](mailto:firstinitial.lastname@domain.com)
  - [firstname@domain.com](mailto:firstname@domain.com)
  - [lastname@domain.com](mailto:lastname@domain.com)
  - [firstinitial\\_lastname@domain.com](mailto:firstinitial_lastname@domain.com)
  - [firstname\\_lastname@domain.com](mailto:firstname_lastname@domain.com)

- **Business phone** – Having a business phone is essential for professionalism, organization, and customer communication.
- **Business address** – If you have a brick and mortar, that should be the address used, however, If you don't have an actual building get a virtual address. iPostal1 is just an example, but just Google virtual addresses. Having a dedicated business address helps to establish a professional image and can make it easier for customers and clients to find and contact your business. It also allows for efficient mail and package management.
- **Duns number (Dun&Bradstreet.com)** – A Duns number is a unique nine-digit identifier assigned to businesses by the Dun & Bradstreet credit agency. Essentially, it is a Social Security number for your business. It is important for businesses to have a Duns number because it is often used as a standard business identifier, and is required by many organizations in order to conduct business.
- **Business website** – Having a business website is important because it allows customers and clients to learn more about your business, products, and services. It can also make it easier for them to contact you and make purchases from your business. A well-designed and informative website can help to establish your business as a professional and credible organization. There are many resources you can use to create a website, such as Wix, Squarespace and Shopify to name a few. You can also pay through a freelancer through a website like Fiverr. Do your research to determine which route works best for you.
- **Business insurance** – You can get business insurance from any insurance company. Having business insurance is essential because it protects your business from financial losses due to unexpected events, such as accidents, natural disasters, or lawsuits. It also provides coverage for your business property, equipment, and inventory, as well as liability protection for your business. In the event of a covered loss, business insurance can help to keep your business financially stable and allow you to continue operating.



# PART 4

## *BUSINESS CREDIT 101*

### **(TIPS TO BUILDING BUSINESS CREDIT FOR NET30↓)**

**(Disclaimer:** Make sure your personal credit is established before you work towards business credit)

1. Get your Duns # [Dun&bradstreet.com](http://Dun&bradstreet.com)
2. find vendors (Uline, quill, Grainger) these are Net30 accounts, they give you 30 days to pay off your invoice. Net30 companies sell a wide range of goods and services, including office supplies, equipment, and furniture. They may also offer services such as printing, marketing, or IT support. Some net30 companies may specialize in certain products or industries, while others may offer a more general selection of goods and services.
3. Fleet cards (gas cards) some of these cards are Net30 accounts. Fuelman.com, Shells small biz card and Wex are good gas card companies.
4. Build! Build! Build! Make sure you make your payment on time with the Net30s.
5. Apply for American Express (Amex)/ Capital ONE business credit cards, Sam's club business Mastercard, etc. Your personal credit score should be a 680 and higher to apply. You can apply for as many AMEX business cards that you want, and get hit with only one inquiry on your personal credit score. The beautiful thing about business credit is your utilization on the business credit card doesn't show on the personal credit report. Business credit cards are important for several reasons. They help businesses to separate personal and business expenses, establish business credit, and earn rewards on business purchases. Business credit cards can also provide valuable benefits such as extended warranties and purchase protection. Using a business credit card responsibly can help a business to improve its credit score and access better rates on loans and other financing options.

6. Side note: You can also apply for business credit cards and personal credit cards on [NerdWallet.com](http://NerdWallet.com)
7. Establish a harmonious rapport with your business banker. If you potentially need funding/loan for your business, the banker will provide you with all the information/requirements you need to get approved for a business loan. (It's the business banker job to help you so don't be afraid to ask for help)
8. Last but not least. PLEASE BE RESPONSIBLE ONCE YOU GET ACCESS TO BUSINESS CREDIT!

I truly hope this information can help you grow your business. It has impacted my success as a businessman.

Don't be afraid to take action.

**I wish you guys the best on your success. God bless.**