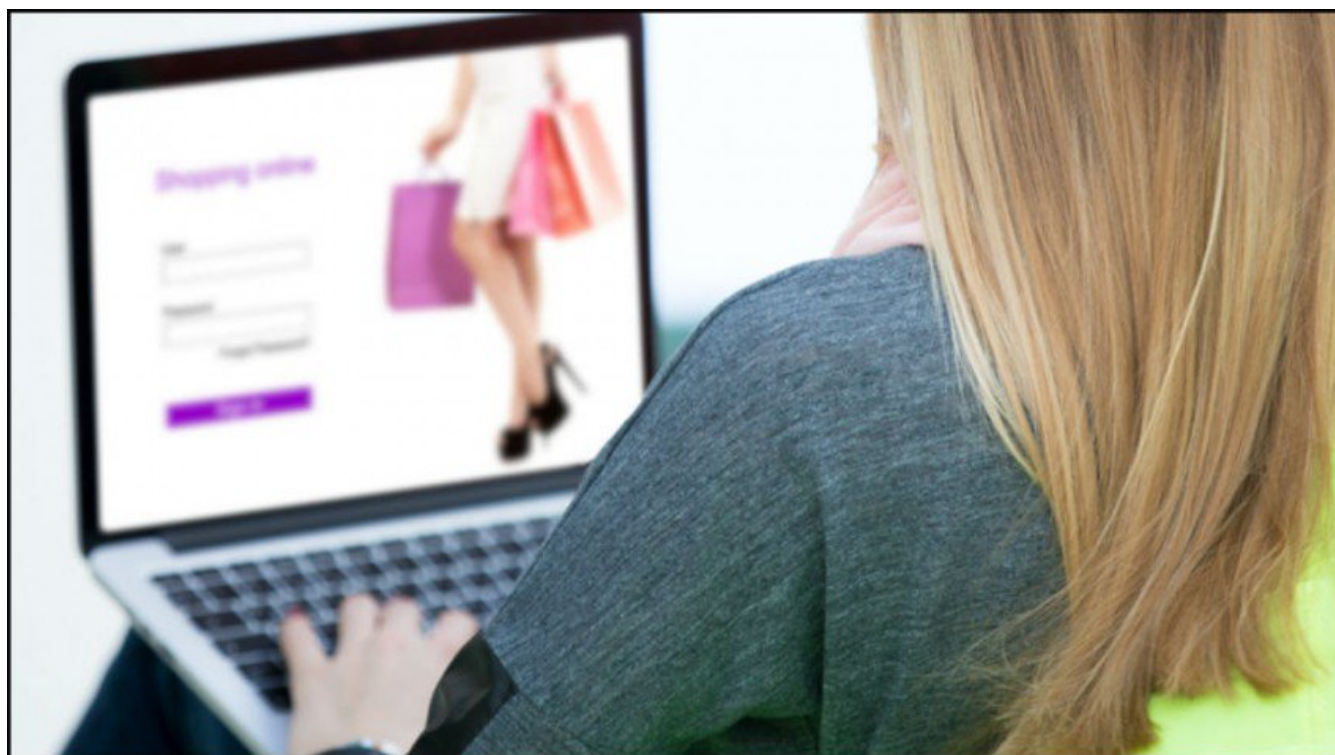**- Small Business Trends - https://smallbiztrends.com -**

# Your 10 Point Checklist to Starting an Ecommerce Business

Posted By *Nellie Akalp* On August 10, 2015 @ 1:00 pm In Retail Trends | <u>39 Comments</u>



With more than <u>206 million predicted shoppers</u> [1] spending money online this year, there's never been a better time to start an eCommerce business. If you're thinking about starting an eCommerce business and selling products online, use this checklist to do it the right way.

## 1. Start With Your Business Name
The first thing to do (after you decide what you want to sell, of course) is choose a fabulous, memorable business name that no one else is using. You can conduct a corporate name search to make sure it's not already in use. Once you've chosen the name, <u>register it</u> [2]. (If you form an LLC or corporation, this will happen automatically in the state where you file your paperwork.)

## 2. Secure Your Domain Name and Website
Ideally, you'll get your business name as your domain name, but if it's not available, choose a URL that's easy to say and spell, and relates to your business. So if your business is Karen's Craft Creations and KarensCraftCreations.com isn't available, try something similar like CraftsbyKaren.com.

The design of your eCommerce site may be the biggest business expense you have. But you want to ensure that it's not only visually appealing, but also functional. There are out-of-the-box eCommerce solutions like <u>Shopify</u> [3] to begin with, but you may require something more custom-made if your

needs are more than basic.

### 3. Select The Best Business Structure and Register Your Business

You've got several options when it comes to your <u>business structure</u> [4]:

Sole Proprietor

Partnership (if you have a business partner)

LLC

Corporation

If you don't choose a business structure like a corporation or LLC, you'll automatically be considered a sole proprietor (or partnership) by the IRS. However, operating as a sole proprietor, your personal assets are at risk. If your company is ever sued, the court can seize your personal assets if your business doesn't have enough to cover its debts. Both the corporation and LLC separate you and your assets from the business, and provide other tax benefits.

You can register on your own by filling out the appropriate business structure paperwork from the IRS yourself, or you can hire a business filing company to do it for you. A lawyer is another option, but that's often overkill for the average small business owner's needs.

### 4. Get Your Employer Identification Number

You'll need an Employer Identification Number (EIN) to open a business bank account and file your business taxes next April. Your EIN is a bit like your business' social security number: it's a unique number that identifies your business and helps you file important paperwork. Every business needs one, whether you'll have employees or not.

### 5. Apply for Business Licenses and Permits

Operating an eCommerce business does not exclude you from needing certain business licenses and permits. Check with your city, county, and state to see what sorts of sales tax licenses or home business licenses you need, and get those approved before you start operating.

### 6. Find the Right Vendors

You'll have a lot of competition selling products online, so it's in your best interest to find the best quality and best prices for the products you sell or materials you use to create your products. Shop around until you find a vendor you want to do business with long-term.

### 7. Start Marketing Early

Even if you're not up and running, it's a good idea to set up social media profiles and writing content for your blog now so that you're not starting from scratch Day 1. You can set up your website with a "coming soon" page where people who are interested can sign up to get updates, using a tool like LaunchRock.

## 8. Get More Productive with the Right Software

Technology can make so much of your work easier, so before you start your eCommerce business, play around with customer relationship management, accounting, project management, and email marketing software that you can integrate into what you're doing once you launch.

## 9. Stock Your Inventory

Whether you've got a warehouse full of products somewhere or your inventory lives in your garage, make sure you've got enough to launch. It can be tricky, not knowing how much you'll need, but in general, it's better to have too much inventory than not enough. Pay attention to how your sales increase so you can be smart with future orders.

## 10. Make Sure Your Business Stays Compliant

Once you launch your eCommerce business, things are going to move at the speed of light. Don't overlook filing your annual report, if you incorporated or filed an LLC, nor those annual fees for business permits. If you need to, put these deadlines on your calendar so you stay on top of them.

Can you check all 10 of these items off your list? Great! It's time to launch. Having done all the preparation up front, your eCommerce business will skyrocket.

_eCommerce Website_ [5] _Photo via Shutterstock_

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[2] register it: **https://smallbiztrends.com/2014/12/protecting-your-brand.html**
[3] Shopify: **http://www.shopify.com/**
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