

5 REASONS YOU SHOULD BE OPERATING AS AN ENTITY

Anyone can start a business, but it requires methodical planning in order to be successful. With the recent growth of entrepreneurship, it is important for individuals to take a proactive financial approach in their ventures.

While there are many reasons that a startup may fail, establishing your business as a legal entity is one way to build a strong foundation for prosperity, and can prove highly beneficial in the long run. A professional advisor such as a CPA can navigate you through the process.



In the United States alone, over 500,000 businesses are started each month - only 50% of them remain actively in-force after 5 years.

Here are the top 5 reasons to register your business:

1. Protect Your Assets

Registering your business as a separate legal entity is the easiest way to protect your personal property (home, car, savings, and more) from the debts and losses that a company may face.

2. Secure Capital

Raising capital is vital to the lifeline of any startup, but can be difficult without the proper foundation. Banks do not offer business loans to unregistered entities, and independent investors generally avoid dealings with unregistered companies, as it shows a lack of structure and professionalism.

3. Establish a Brand Identity

Registering a business name allows you to create a unique and legally protected identity. In turn, this enhances credibility amongst customers and third parties, such as vendors or suppliers, and also helps you build a memorable brand image.

4. Minimize Tax Liability

Deductible business expenses help entrepreneurs with the costs of running a company. A CPA can optimize a business' tax preparedness and help minimize liability by looking for commonly overlooked deduction opportunities.

5. Business Continuity

A registered business is an asset that can be sold or passed down through generations – think of American icons such as Coca Cola and Disney. By establishing a business as a separate legal entity, you can help increase your company's longevity and sustainability.

While registering is not recommended for *all* businesses, and it will cost you initial money, time, and effort, it does afford several important benefits.

If you're in the beginning phases of your startup or are already operating your business without the guidance of a professional tax or financial advisor, you could be hindering the success of your entrepreneurial endeavor.

Connect with us. We would love to be a resource and help you get started!

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