



BOOMERWORKS
INSPIRING SELF-EMPLOYMENT

Operations 101:

The Basic Building Blocks for Business Success



Employees vs. 1099 Independent Contractors



Employee

- Receives a W-2 tax form annually
- Specifies yearly earnings and taxes withheld from paycheck, including payroll taxes

Article on the BW Website

upcounsel.com/independent-contractor-vs-llc

Free Course from SBA.gov

sba.gov/course/legal-requirements-small-business/

Independent Contractor

- Receives 1099 tax form(s)
- 1099 lists total income paid to the contractor from each company
- 1099 will NOT show any tax deductions because contractor is responsible for own taxes, including self-employment tax (Medicare and Social Security) and personal income tax

Setting Up Your Business Structure



Sole Proprietorship

- No need to register with the state

Simply...

- List your SS# on 1099 forms
- Keep track of business expenses
- Keep track of business income
- Pay self-employment and income tax

Other Business Structures

- **LLC**

- **S-Corporation**

(Most popular for independent businesses)

- **C-Corporation**

- **Partnership**

(Usually reserved for larger corporations)

IRS Website:

[irs.gov/businesses/small-businesses-self-employed/business-structures](https://www.irs.gov/businesses/small-businesses-self-employed/business-structures)

Financial Considerations

Accountant

- ✓ **Helps identify your best business structure based on your tax situation**

- ✓ **Helps manage your personal and business tax liability**

- ✓ **Expenses**
 - Mileage
 - Home office



IRS

Employee Identification Number (EIN)

- ✓ **IRS**
- ✓ **Some Government contractors require that their sub-contractors have an EIN number.**

Bank

- ✓ **Checking Account**
- ✓ **Business Credit Card/ Line of Credit**
- ✓ **Payment Tools**
- ✓ **Community Banks/Credit Unions**

Legal Considerations

Attorney

- ✓ Develop a relationship with a business attorney before you need one.

Legal Structure

- ✓ Reduce your personal and business risk in collaboration with your attorney and accountant.



Contracts

- ✓ Your attorney help you determine whether you need a contract.

Non-Disclosure Agreement (NDA)

- ✓ For when you share product or intellectual property information with potential partners.

Liability Insurance

- ✓ Protects your business from potential lawsuits
- ✓ Personal umbrella policy

Technology Considerations

Connectivity

- ✓ **Internet Provider**
- ✓ **Hot Spot**
 - **More secure than public WIFI**



Software Applications

- ✓ **Productivity Tools**
 - Microsoft Office, G Suite
- ✓ **Project Management**
 - Asana, Teamwork...
- ✓ **Client Relationship Management (CRM)**
 - Zoho, Hubspot ...
- ✓ **Accounting Software**
 - Quickbooks, FreshBooks
- ✓ **Supply Chain Management and Distribution**
 - Zoho Inventory, Sortly

Website Technology

Establishing an Online Presence

- ✓ **Domain Name**
- ✓ **Build Website**
- ✓ **Host Website**
- ✓ **Setup business email address**
- ✓ **Setup MSOffice 365 online through hosting company**
- ✓ **Link Payment Account**
- ✓ **Selling products online?**
 - **Ecommerce platform**





BONUS Resources!

Download this presentation on **Boomerworks.org/Operations-101** for a helpful checklist to keep track of your accounting, legal and technology:

**Operations 101:
The Basic Building Blocks For Your Business Checklist**

PLUS!

Find additional educational resources under our BoomerWorks.org “Training Center” tab!