



# How to Open a Business In Woodford County

Prepared By

Don Vizi, Executive Director

Woodford County Chamber of Commerce

141 North Main Street - Versailles, KY 40383

Phone (859) 873-5122 Fax 877-817-6585

[woodforddirector@gmail.com](mailto:woodforddirector@gmail.com)

[www.woodfordcountyinfo.com](http://www.woodfordcountyinfo.com)

**How to open a business in Woodford County**  
**Compiled by Don Vizi**  
**Executive Director**  
**Woodford County Chamber of Commerce**

Opening any business takes time, diligence and passion, opening a business in Woodford County adds some hoops to jump through as well. In this comprehensive plan, we delineate the required steps for starting a new business in Woodford County and help you navigate the process pain free.

**Starting Off**

Starting a business is no walk in the park. Making sure you are physically and emotionally ready and committed to investing the long, frustrating hours and blood, sweat and tears it takes to start a new business is the best place to start. Your next step is to thoroughly do your homework and make sure your business plan is feasible and has the ability to thrive in Woodford County. Once you've taken these steps you'll be ready to be get down to the work of establishing your business in Woodford County.

**Contact Planning and Zoning to verify that the property's zoned appropriately for proposed use.**

## **Step One: Write a Business Plan**

Writing a business plan can be tedious and difficult but the Kentucky Small Business Development Center has made a comprehensive plan to get the ball rolling. If you follow this directions below you will have a very good Business Plan.

### **1. Table of Contents with Page Numbers**

### **2. Executive Summary (1 – 2 pages)**

- Highlights major points of a business plan, including management team, market size, marketing strategy, strategic alliances, potential profits, dollar amount requested and proposed terms for repayment
- **This section should be the LAST section written**

### **3. Summary of the Business or General Company Description**

- Explain the business
- Mission statement, company goals & objectives, business philosophy
- Describe industry, overview of product(s) or service(s) offered, market and competition and management experience
- Company strengths and core competencies
- Legal form of ownership

### **4. Products or Services Offered**

- Explain products and/or services in depth, pricing, fee structure, if applicable

### **5. Marketing Plan**

(A) Market Analysis

- Target Market: Identify customer's, provide demographic information explaining their characteristics
- Industry Overview: Detailed analysis of market size, growth, major trends, etc.
- Competition: Detailed analysis of top 3 – 5 competitors (review of competitor's strengths and weaknesses)

(B) Marketing Strategy

- Explain in detail how your company will capture market share and your marketing/advertising public relations plan

**6. Operational Plan**

- Explain the daily operations of the business: location, equipment, legal environment, personnel, processes, etc.

**7. Management and Organizational Plan**

- Describe in detail your team's experience, strengths, job functions, and plans to fill gaps in management team

**8. Financial Data – 3 Year Financial Projections**

- Cash flow, assumptions, income statement, balance sheet spreadsheets, break even analysis, sources and applications of funds.

**9. Appendix, with supporting documents, contracts, letters of intent, research, etc.**

Management & Organization

Who has management responsibilities? Include the resumes of key managers as supporting documents. Include position descriptions for all key employees. List important advisors, such as attorney, accountant, banker, insurance agent, and advisory board or board of directors. Include estimated financial costs and necessary services provided.

**Operational Plan**

**Production/Service:**

Discuss methods of production or service delivery, product or service development, quality control, inventory control.

**Credit Policies:**

What is your credit policy? Do/will you sell on credit? What are the terms? Explain how you perform a credit check. What are your collection policies?

**Personnel:**

How many employees are required? What skills are necessary? Define the pay and personnel policies. Are there any position descriptions and/or training programs?

**Equipment, Technology, & Inventory:**

How much inventory is needed? What is its value? Why is that amount of inventory appropriate for your business and location? List your major suppliers and discuss any terms they extend to your business. What equipment and technology is necessary to operate the business?

**Legal:**

Research and understand all legal issues. (Licensing, bonding, permits, insurance, zoning,

government regulations, patents, trademarks, copyrights, etc.)

**Exit Strategy:**

Describe exit strategies should the firm perform lower than expectations (personal or business). Will inventory be liquidated? Will you close the business or sell?

**Financial Plan & Projections**

The financial plan provides the numbers that correspond to your written plan. Historical and/or projected figures should be included. In addition, you should always include a narrative explaining the assumptions you used to arrive at the dollar value of sales, expenses, etc. You must demonstrate that your numbers are reasonable. *Detailed financial information is critical to the business planning process.*

**Start-up Expenses and Capital:**

Carefully calculate and categorize all start-up expenses including inventory, rent, etc. For example, what amount will be needed for renovations and equipment? Remember to include any cash you may need to operate and pay bills until the business begins generating cash. Provide a detailed list of equipment, furniture, and/or fixtures to be purchased. Include actual price quotes for larger items.

**Financial History:**

If yours is an existing firm, include the income statements, balance sheets and/or tax returns for the past three years.

**Profit and Loss Projection (Income Statement):**

Include a monthly profit and loss projection for at least 12 months of business operation. Be sure to provide a written explanation of assumptions used to develop your projections.

**Cash Flow Projection:**

Include a monthly cash flow projection for at least 12 months of business operation. The cash flow projection differs from the profit and loss statement. Cash flow statements illustrate how much and when cash flows in and out of your business. Be sure to provide a written explanation of assumptions used to develop your projections.

**Projected Balance Sheet:**

Your plan should include a projected balance sheet showing assets (things owned), liabilities (debts) and owner's equity. If yours is a start-up business, the balance sheet should show your financial position on opening day.

**Supporting Documents**

- Personal résumés for owners and management
- Letters of reference
- Personal financial statements from all principals
- Contracts and/or letters of intent from suppliers and customers

- Copies of leases, licenses, permits, or any other legal documents
- Any document referred to within the plan but not included in body

Contact your [local Kentucky Small Business Development Center](#) for additional tips and templates for preparing an effective business plan. Your SBDC Consultant will provide assistance preparing and reviewing the business plan prior to meeting with lending institutions (<http://ksbdc.org/new-businesses/business-planning/>).

## Step Two: Financing

Financing your new project can be a difficult process, but there are options to look at to finance your new brilliant idea. Grants and Loans are a big aspect of funding a starting business, but the harsh reality is that 95% of all small business startups are funded by personal savings, friends and family or commercial loans (ksbdc.org). Many times, grants are given to a business that is bettering the community or is focusing on one of three areas: 1. highly technical areas of industry, 2. Schools and training programs, and 3. State and local government programs. This does not mean that there are not grants out there for your small business though, these are some reliable sources to request grant money.

### **The Catalog of Federal Domestic Assistance**

[www.cfd.gov](http://www.cfd.gov)

*Resource for types of assistance & writing grant proposals*

### **The U.S. Small Business Administration (SBA)**

[www.sba.gov/category/navigation-structure/loans-grants/grants](http://www.sba.gov/category/navigation-structure/loans-grants/grants) Federal grant resources

### **The Foundation Center**

<http://lnp.fdncenter.org/finder>

*Use the Foundation Finder to search for basic information about more than 70,000 private and community foundations in the U.S.*

### **Society of Research Administrators**

<http://www.srainternational.org>

*Resource for government & private funding and general research*

### **Grants.gov**

[www.grants.gov](http://www.grants.gov)

*Federally operated website for finding & applying for federal grants*

Grant writing is a skill that you can never stop using, here are some tips from the Kentucky Small Business Development Center to writing a grant request.

- Identify the funding source. Grant applications must be responsive to the needs of the grant agency. You must **DO** what the agency is funding. This requires research into the

granting agency and its requirements. For example, an agency funding computer research will not fund you to start a retail store.

- Get the correct application forms. Legitimate grants normally have an identified application process and forms and they do not charge you fees to apply.
- Follow the application guidelines. Include the required information and meet the deadlines.
- Get help. There are websites that can give you tips on writing a good grant application. Experts such as accountants or attorneys can add credibility to the application.
- Develop a well-prepared business plan that demonstrates your understanding of the business. This will help outline how your business will benefit the agency offering the funding.

For more information please look at [ksbdc.org](http://ksbdc.org) or <http://ksbdc.org/wp-content/uploads/downloads/2012/09/Separating-Myth-from-Fact-2-pages.pdf>

Another option to fund your business is venture capitalism. Venture Capitalism is where you find investors who are looking for a high return rate in a short period of time to fund your business. Many times this requires you to give your investor partial ownership or a management position. This type of investment is usually used for commercial business and highly profitable ones.

## **Step Three: Finding your Target Market**

Once you have your business plan ready and your financial backing, it is time to look at who your target market will be. There are many different things to take into account when forming your target market.

What is your chosen demographic?

What is the size of your market?

Will your target market buy your product?

How do you reach your target market?

What are services are consumers looking for in your business?

Along with questions about your target market, looking at the trends concerning your market and your product are also important. For example, asking yourself these questions can help allow your business to flourish the correct way:

Is the market you are entering growing, stable, trendy or volatile?

Is your market saturated or accepting new businesses?

Is your market large or small when it comes to revenue?

And finally, it is important to look at your competitors who are in the current market and how their businesses are doing. Some questions you can ask yourself are:

Who are your competitors and are they successful in their chosen field?

What are your competitor's market shares? And have they increased or decreased in the last 5 years?

What is your competitive advantage compared to your competitors?  
How do your successful competitors reach their market?

By asking yourself these questions, reaching and understanding your target market allow your business to become successful rather quickly.

## **Step Four: Steps to Starting a Business**

After you have completed all the items above it is time to start your small business. The Kentucky Small Business Development Center has compiled a list of items to complete to legally start your own business.

- SBDC led training seminars are offered throughout the Commonwealth for people interested in starting a business. Attend one of these [sessions](#). Additionally, the KSBDC offers over [25 on-line courses](#) available at no cost.
- Consult with a SBDC consultant to discuss your options and to determine your needs. [Request an appointment](#) with a SBDC consultant near you.
- Research and understand how to comply with environmental regulations (EPA), safety and health regulations (OSHA), and local zoning regulations.
- [Develop a detailed business plan](#). A successful business start-up begins with the development of a detailed business plan. The business plan captures your knowledge of industry and your plans for success. You must address these elements:
  - Secure financing. If financing is required submit your business plans to lending agencies.
  - Select a business name and choose an operating entity.
  - [Register with the County Clerk and the Secretary of State](#).
  - [Register any trademarks or service marks](#) with the Secretary of State.
  - Secure a zoning license/certificate of occupancy from the local zoning department.
  - Secure permits for any remodeling or new construction.
  - Secure sign permits for any exterior signage.
  - [Obtain a federal employer identification number \(EIN\)](#) from the IRS.
  - Obtain city and county occupational/business licenses.
  - [Register with the Kentucky Revenue Cabinet](#) as required for the following:
    - Employer's Withholding Tax
    - Sales and Use Tax
    - Consumer's Use Tax
    - Corporation Income Tax
    - Limited Liability Entity Tax (LLE)
    - Transient Room Tax
    - Motor Vehicle Tire Tax
    - Coal Severance and Processing Tax

To find your tax identification number visit the IRS website and fill out the correct forms based on your business <https://www.tax-id-number-online.com> .

- [Check with the Business Information Clearinghouse](#) (800-626-2250) and your local city and county clerks to determine if any special licenses are required for your business.
- Report new employees immediately to Ky New Hire Reporting (1-800-817-2262)
- Establish a business checking account. Consider a business savings account.

Secure liability insurance, worker's compensation insurance and other coverage appropriate for your business (ksbdc.org).

For more information, and to follow the links please visit <http://ksbdc.org/new-businesses/steps-to-starting-a-small-business-in-kentucky/>

## **Step Five: Planning and Zoning License**

Contact Planning and Zoning to verify that the property's zoned appropriately for proposed use. This is for Versailles, Midway and Woodford County.

The planning and zoning commission in Woodford County is located at

Woodford County Court House  
Suite 204  
103 South Main Street  
Versailles Ky, 40383  
**Contact number:** 859-873-8611  
**Fax number:** 859-873-6006  
**Business Hours:** 8am-4pm Monday- Friday  
**Website:** [planning.woodfordcountyky.org](http://planning.woodfordcountyky.org)

### Planning Commission

Pattie Wilson  
Planning Director  
Flood Plane Administrator  
859-873-8611

Kenneth Johns  
GIS Coordinator  
Web Mapping  
859-230-4900

Isaac Hughes  
Building Inspector  
859-873-8611

Kim O'Plain  
Administrative Assistant  
859-873-8611

### **Kentucky Small Business Development Center**

For more contact information or an appointment, please contact the Kentucky Small Business Development Center located at:

330 East Main Street  
Lexington KY 40508



Located on the second floor of the Commerce of Lexington Building. Their hours are Monday through Friday 9am-5pm, and their contact number is 859-257-7666.

### **For Registration**

The Kentucky Secretary of State's office has a link to the legal forms and more information for starting a new business in the state of Kentucky. This link is under the "One Stop Business Portal" on the Secretary of State website at [www.sos.ky.gov](http://www.sos.ky.gov) or follow this link <http://onestop.ky.gov/Pages/default.aspx> . All forms that are needed to register a new business in Woodford County can be found on the Secretary of State Website and [WoodfordCounty.ky.gov](http://WoodfordCounty.ky.gov). These forms include the County ordinance for business licensing. In Woodford County there is no fee for a business license, however, there is a 1.5% payroll withholding and net profit of the year.

If you are planning on owning a business in the city limits of Versailles or Midway please contact the following people for other forms of protocol.

City of Versailles  
Patty Wilder  
859-873-5436

<http://versailles.ky.gov/Pages/default.aspx>

City of Midway  
Phyllis Hudson  
859-846-4413

<http://meetmeinmidway.com>

Woodford County  
Sabra Garmon  
Business License  
859-873-3429  
[www.WoodfordCounty.Ky.gov](http://www.WoodfordCounty.Ky.gov)

### **Important Phone numbers**

County Clerk – 859-873-3421  
Planning and Zoning – 859-873-8611  
Versailles Police Department – 859-873-3216  
Sheriff's Department – 859-873-3119  
Versailles City Hall – 859-873-5436  
Midway City Hall – 859-846-4413

### **Utilities**

Columbia Gas of Kentucky – 1-800-432-9345  
Kentucky American Water – 859-268-6300  
Kentucky Utilities Company – 1-800-383-5582  
Time Warner Cable – 1-866-725-0919  
Windstream – 1-800-347-1991  
South Woodford Water District 859-873-1308

This document was provided by the Woodford County Chamber of Commerce with information inserted from the Kentucky Small Business Development center, the Kentucky Small Business Administration, and Senior Core of Retired Executives (Score).