

CITY OF WORCESTER BUSINESS START-UP GUIDE



Congratulations on your decision to explore a business venture in Worcester!

The City of Worcester is pleased to offer this 10-step guide to help entrepreneurs navigate the various steps recommended to successfully start a small business.

Recognizing the complexity of capturing all possible scenarios related to unique business ventures, this document provides a general guide on the most relevant resources for each step of the process.



*Michael V. O'Brien
City Manager*

City of Worcester
Office of Economic, Neighborhood &
Workforce Development
Economic Development Division
44 Front Street, Suite 530
Worcester, MA 01608
Phone: (508) 799-1400
www.worcestermass.org

The 10 Steps to Success:

STEP ONE.

Gather Information

STEP TWO.

Create a Business Plan

STEP THREE.

Register your Business Name
and Legal Structure

STEP FOUR.

Select a Site to Operate your Business

STEP FIVE.

Assemble Financing

STEP SIX.

Complete Zoning and
Permitting Requirements

STEP SEVEN.

Explore Incentives

STEP EIGHT.

Arrange to Pay your Taxes

STEP NINE.

Address Employer Responsibilities

STEP TEN.

Learn about Ongoing
Supportive Services

STEP ONE.

Gather Information

There is a wealth of resources available to assist entrepreneurs in the City of Worcester. Contact the Economic Development Division to receive important information that will assist you in developing your business venture.

City of Worcester – Economic Development Division

44 Front Street, Suite 530
Worcester, MA 01608
Phone: (508) 799-1400
www.worcestermass.org

Furthermore, it is essential to learn about the resources for entrepreneurs available from the Commonwealth of Massachusetts. The Office of Business Development is the gateway to the Business Resource Team – a group of offices and organizations in Massachusetts ready to help your business grow and succeed. Contact the Massachusetts Office of Business Development at:

Massachusetts Office of Business Development

One Ashburton Place, Room 2101
Boston, MA 02108
Phone: (617) 788-3610
www.mass.gov/mobd

Finally, for an overview of some nationally available tools and resources to start your business, visit www.business.gov or contact the U.S. Small Business Administration (SBA) at:

U.S. Small Business Administration – Boston District

10 Causeway Street, Room 265
Boston, MA 02222
Phone: (617) 565-5590
www.sba.gov

STEP TWO.

Create a Business Plan

A formal business plan will be an invaluable tool to help your business succeed. In addition to being required to obtain certain loans, a business plan addresses the critical goals and challenges of a new business venture and enables entrepreneurs to set benchmarks, evaluate progress, and demonstrate to

potential investors that the company has longer term profit-making potential with positive cash flows. The following are a number of local resources that you should investigate as you develop your business plan:

The Center for Women & Enterprise provides one-on-one consultation and programming for women and men planning new ventures.

Center for Women & Enterprise

50 Elm Street, Second Floor

Worcester, MA 01609

Phone: (508) 363-2300

www.cweonline.org

The Martin Luther King, Jr. Business Empowerment Center provides one-on-one consultation and group workshops and seminars by experienced business professionals.

Martin Luther King, Jr. Business Empowerment Center

237 Chandler Street

Worcester, MA 01609

Phone: (508) 756-6330

www.mlkj-bec.org

The Massachusetts Small Business Development Center at Clark University provides free and low-cost consultation, workshops, and business planning services.

Massachusetts Small Business Development Center at Clark University

950 Main Street

Worcester, MA 01610

Phone: (508) 793-7615

www.msfdc.org

SCORE, Counselors to America's Small Business, provides free in-person and email consultations with retired business professionals.

SCORE also provides follow-up services including business recovery, successor planning, business growth, and business sale and franchise.

SCORE, Counselors to America's Small Business

c/o Worcester Regional Chamber of Commerce

446 Main Street, Suite 200

Worcester, MA 01608

Phone: (508) 753-2929

www.scoreworcester.org

STEP THREE.

Register your Business Name and Legal Structure

There are important legal issues to consider before naming and incorporating a business. Before choosing your business name, you must ensure that no other company in the Commonwealth is already operating under that name. To determine whether your name is available you can perform an online search or contact the Secretary of the Commonwealth's Corporations Division at:

Secretary of the Commonwealth – Corporations Division

One Ashburton Place, 17th Floor

Boston, MA 02108

Phone: (617) 727-9640

www.sec.state.ma.us/cor/

Before registering your business, it is important to consider what type of entity you plan to incorporate. For details about the different types of entities, contact the Massachusetts Department of Housing and Economic Development at:

Massachusetts Department of Housing and Economic Development

One Ashburton Place, Room 2101

Boston, MA 02108

Phone: (617) 788-3610

www.mass.gov/eohed

The organizations listed in Step 2 can also assist with clarifying the appropriate type of entity for your business.

When you are ready to register your business, register first with the Secretary of the Commonwealth (information listed above) and next with the City of Worcester's Office of the City Clerk at:

City of Worcester – Office of the City Clerk

City Hall, Room 206

455 Main Street

Worcester, MA 01608

Phone: (508) 799-1121

www.ci.worcester.ma.us

STEP FOUR.

Select a Site to Operate your Business

As they say in real estate, “location, location, location”. Location is a key factor in the success of your enterprise. However, you must consider your needs, budget, and target clientele when choosing a site for your new business.

The City of Worcester offers a variety of resources to find the perfect location for your business. The City’s Economic Development Division offers both online and in-person resources to help you select a space:

City of Worcester – Economic Development Division

44 Front Street, Suite 530
Worcester, MA 01608
Phone: (508) 799-1400
www.worcestermass.org

In addition, Choose Worcester provides new business owners consulting services to help locate a space and access potential incentives. Through Choose Worcester, entrepreneurs can also access the Massachusetts Site Finder tool to locate preferred properties in Worcester.

Choose Worcester

446 Main Street, 15th Floor
Worcester, MA 01608
Phone: (508) 459-3601
www.chooseworcester.com

STEP FIVE.

Assemble Financing

When developing a new business it is essential to assemble financing that meets the short- and long-term needs of your business. Below is a list of local lenders known for providing small business loans, however, there may be additional financing opportunities available to you.

ACCION USA New England
Center for Women & Enterprise
50 Elm Street, Second Floor
Worcester, MA 01609
Phone: (508) 363-2300

Bank of America
100 Front Street
Worcester, MA 01608
Phone: (888) 852-5000

Bay State Savings Bank
28 Franklin Street
Worcester, MA 01608
Phone: (508) 890-9056

Commerce Bank & Trust
386 Main Street
Worcester, MA 01608
Phone: (508) 797-6984

Commonwealth National Bank
33 Waldo Street
Worcester, MA 01613
Phone: (508) 793-8308

Flagship Bank
PO Box 487
Worcester, MA 01613
Phone: (508) 890-5119

MassDevelopment
160 Federal Street
Boston, MA 02110
Phone: (800) 445-8030

Spencer Savings Bank
400 Grove Street
Worcester, MA 01605
Phone: (508) 849-3933

TD Banknorth
295 Park Avenue
Worcester, MA 01609
Phone: (508) 890-3401

Webster Five Cents Savings Bank
200 Commercial Street
Worcester, MA 01608
Phone: (508) 438-4713

Please note that the listing above does not indicate any endorsement or certification of good standing by the City of Worcester. Entrepreneurs are encouraged to find a lender that works best for them.

In addition, the SBA offers loan guarantees for small businesses when obtaining loans from participating lenders.

U.S. Small Business Administration – Boston District
10 Causeway Street, Room 265
Boston, MA 02222
Phone: (617) 565-5590
www.sba.gov

STEP SIX.

Complete Zoning and Permitting Requirements

Before buying, leasing, or developing any new space, it is important to ensure that you have addressed relevant zoning and permitting issues.

The City of Worcester has developed a Small Business Guide to help direct new business owners to the appropriate City office for zoning, permitting, and licensing issues. This guide is available at: www.worcestermass.org/business-development.

In addition, the City of Worcester, in partnership with the Pioneer Institute, has developed a comprehensive guide for a variety of business types to help you navigate through the licensing, permitting, and regulation process. This guide is available for download at: www.worcestermass.org/business-development.

The City's Department of Inspectional Services enforces the State building and sanitary codes, as well as the City zoning ordinance. You will need to contact this department to obtain permits for building or utilities.

City of Worcester – Department of Inspectional Services

25 Meade Street
Worcester, MA 01610
Phone: (508) 799-1198
www.ci.worcester.ma.us

For additional information on City zoning ordinances, contact the Division of Planning and Regulatory Services at:

City of Worcester – Division of Planning and Regulatory Services

44 Front Street, Suite 510
Worcester, MA 01608
Phone: (508) 799-1400
www.ci.worcester.ma.us/ocm/planning/index.html

STEP SEVEN.

Explore Incentives

The City of Worcester offers several business assistance programs that may be applicable to your business as you select a site or work to improve your existing location.

Façade and Awning Incentive Grant Program: public loan and grant to leverage private investment in the physical and aesthetic improvement of commercial properties

Storefront Improvement Grant Program: public grant that stimulates the revitalization of targeted commercial corridors to encourage private renovations of first floor/street level storefronts

Microloan Program: short- and long-term, fixed rate, low-interest loans to qualified borrowers

Brownfield Cleanup Revolving Loan Fund: low-interest loans to developers, eligible property owners, and other community stakeholders interested in the cleanup of brownfield properties

More information about each of these incentives and details about how you can apply can be found at www.worcestermass.org/business-development or by calling (508) 799-1400.

STEP EIGHT.

Arrange to Pay your Taxes

Several types of taxes may be levied on business by the local, state, and federal government. As you start your business, it is important to be aware of your tax obligations at each stage of your development process.

When starting a business, you must register with the Commonwealth of Massachusetts as a taxpayer. You can do this by using the State's *WebFile for Business* online service. This is the same service that you will later use for filing state withholding, sales tax, unemployment insurance, quarterly wage reports, and other tax types. For more information about registering for and paying state taxes, contact the Department of Revenue at:

Massachusetts Department of Revenue

200 Arlington Street

Chelsea, MA 02150

Phone: (617) 887-6367

www.mass.gov/dor/business

All businesses, with the exception of sole proprietors who do not file employment, excise, alcohol, tobacco, or fire arm tax returns, must apply for a Federal Employer Identification Number (EIN) with the Internal Revenue Service (IRS). This number is used for business identification for all tax purposes. EINs are issued immediately if you apply online at www.irs.gov or by calling the Business & Specialty Tax Line at (800) 829-4933. Alternatively, you can also apply by fax or mail by first completing Form SS-4 which is available from the IRS. For more information about your federal tax responsibilities, contact the IRS at:

Internal Revenue Service

120 Front Street

Worcester, MA 01608

Phone: (508) 793-8227

www.irs.gov/businesses

You may also be responsible for paying local taxes. For more information on tax assessments for personal property and real estate, contact the City of Worcester's Assessing Division. For questions on payments and balances contact the City's Treasurer & Collector of Taxes.

City of Worcester
Treasurer & Collector of Taxes
City Hall, Room 203
455 Main Street
Worcester, MA 01608
Phone: (508) 799-1095
www.ci.worcester.ma.us

City of Worcester
Assessing Division
City Hall, Room 201
455 Main Street
Worcester, MA 01608
Phone: (508) 799-1098
www.ci.worcester.ma.us

STEP NINE.

Address Employer Responsibilities

A new set of responsibilities arises when a business hires employees. Below are some necessary steps that you may have to take when you begin to hire employees. However, there may be additional responsibilities that we have not included.

As an employer, you can submit your state income tax withholdings through the same *WebFile for Business* online service through which you registered your business for tax purposes.

Massachusetts Department of Revenue
200 Arlington Street
Chelsea, MA 02150
Phone: (617) 887-6367
www.mass.gov/dor/business

(Follow the link to "WebFile for Business")

Your business is responsible for contributing unemployment insurance to the Commonwealth's Division of Unemployment Assistance (DUA). To initiate this process by obtaining a DUA employer account number and to establish your account, you must file an "Employer Status Report" (Form 1110). This form is available online. For more information, contact the DUA at:

**Massachusetts Department of Labor and Workforce Development
Division of Unemployment Assistance**

Charles F. Hurley Building

19 Staniford Street

Boston, MA 02114

Phone: (617) 626-5050

www.mass.gov/eolwd

(Follow the link to “Division of Unemployment Assistance”)

All employers in Massachusetts are required by state law to carry workers' compensation insurance covering their employees, including themselves if they are an employee of their company. For more information, contact the Department of Industrial Accidents at:

Massachusetts Department of Industrial Accidents

600 Washington Street, 7th Floor

Boston, MA 02111

Phone: (617) 727-4900

www.mass.gov/eolwd

(Follow the link to “Department of Industrial Accidents”)

All businesses must report the hiring of new employees or independent contractors to the Department of Revenue within 14 days of their hiring.

Massachusetts Department of Revenue

200 Arlington Street

Chelsea, MA 02150

Phone: (617) 887-6367

www.mass.gov/dor/business

(Follow the link to “Report New Hires (NHR)”)

Once you are ready to begin hiring a staff for your business, contact the Workforce Central Career Center, a partner of the Massachusetts Division of Career Services. You can post your job listing, receive recruitment assistance, and even use space at the Center to interview candidates.

Workforce Central Career Center

44 Front Street, 6th Floor

Worcester, MA 01608

Phone: (508) 799-1600

www.workforcecentralma.org

STEP TEN.

Learn About Ongoing Supportive Services

This guide has highlighted numerous resources, agencies, and organizations that will continue to be valuable to you as you grow and build your business. The Worcester Business Resource Alliance (WBRA) works to coordinate many of these organizations and the services they offer, including the Center for Women & Enterprise, the Martin Luther King Jr. Business Empowerment Center, the Massachusetts Small Business Development Center at Clark University, and SCORE, Counselors to America's Small Business. Refer to Step 2 for the contact information of these valuable organizations.

Additionally, there are many other organizations that you may find helpful throughout the life of your business. These include:

Inner-City Entrepreneurs (I.C.E.) helps foster established urban, small business development. I.C.E. offers the "Streetwise MBA" program in Worcester for senior-level management.

Inner-City Entrepreneurs

1 Milk Street, 2nd Floor
Boston, MA 02109
Phone: (617) 350-6300

www.innercityentrepreneurs.org/

Worcester Local First is a network of locally owned, independent businesses in Worcester dedicated to building a strong local economy and business community.

Worcester Local First

Box 840, 1102 Pleasant Street
Worcester, MA 01601
Phone: (508) 930-8675

www.worcesterlocalfirst.org

The Worcester Regional Chamber of Commerce works to support existing businesses while promoting economic development in the Worcester area. The Chamber offers networking opportunities, programming, and support services for the business community.

Worcester Regional Chamber of Commerce

446 Main Street, Suite 200

Worcester, MA 01608

Phone: (508) 753-2924

www.worcesterchamber.org

The Colleges of Worcester Consortium allows you to post internship and employment opportunities to attract area students and graduates on their online database.

Colleges of Worcester Consortium

484 Main Street, Suite 500

Worcester, MA 01608

Phone: (508) 754-6829

www.cowc.org

By completing these 10 steps, you have built a solid foundation that, along with hard work, enables you to cultivate your new company into the successful business of your dreams! The City of Worcester's Economic Development Division is able to assist you each step of the way. Please contact our office at (508) 799-1400 if we can be of any assistance.

