

1989  
1990  
1991  
1992  
1993  
1994  
1995  
1996  
1997  
1998  
1999  
2000  
2001  
2002  
2003  
2004  
2005  
2006  
2007  
2008  
2009  
2010  
2011  
2012  
2013  
2014  
2015  
2016  
2017  
2018  
2019

# BUSINESS

LEADERSHIP AND RESOURCES

CREATION  
EXPANSION  
RETENTION  
RECRUITMENT

BUSINESS GROWTH SERVICES • COMMUNITY DEVELOPMENT • NEW BUSINESS RECRUITMENT



## STARTUP ROADMAP

BASIC STEPS TO START A BUSINESS



BIG SKY  
ECONOMIC  
DEVELOPMENT

WWW.BIGSKYECONOMICDEVELOPMENT.ORG

# SMALL BUSINESS DEVELOPMENT CENTER

GUIDING MONTANA BUSINESSES TO SUCCESS



Lorene Hintz  
SBDC Regional Director



Kayla Vokral  
SBDC Training Manager |  
Business Advisor

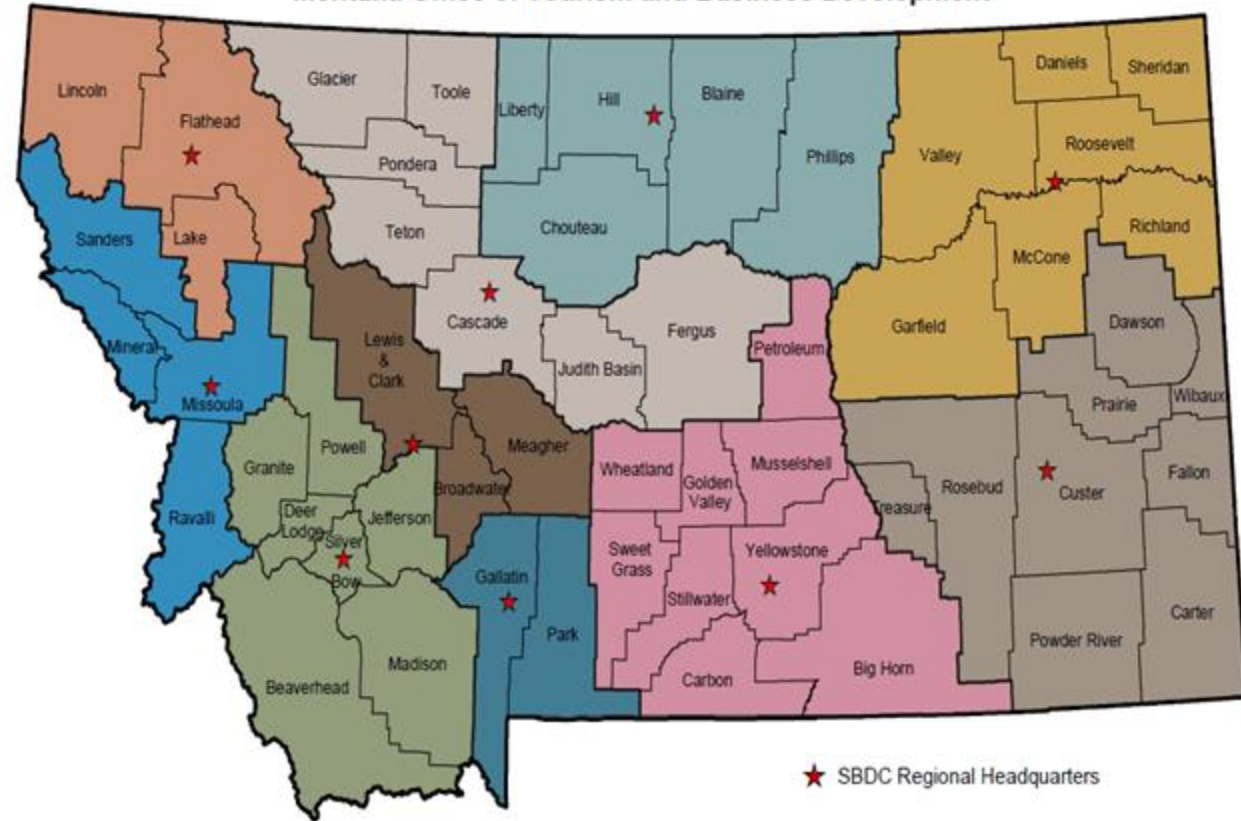


# SBDC REGIONAL CENTERS

THE SMALL BUSINESS DEVELOPMENT CENTER (SBDC)  
HELPS SMALL BUSIENSSES PROSPER BY PROVIDING:

- Strategic and compliance information
- No-cost confidential one-on-one counseling
- Business Planning, Financial Analysis, & Market Research
- Low-cost Training
- Ten SBDC service centers across Montana
- Funded by the SBA, MT Dept of Commerce and Local fu

SMALL BUSINESS DEVELOPMENT CENTER (SBDC) REGIONS  
Montana Office of Tourism and Business Development



**Billings Regional Small Business Development Center** *Counties served: Yellowstone, Big Horn, Carbon, Golden, Valley, Musselshell, Petroleum, Stillwater, Sweet Grass,*

*Wheatland*



**U.S. SMALL BUSINESS ADMINISTRATION**



**VBOC**



**VETERANS BUSINESS OUTREACH CENTERS**

The VBOC provides training, counseling and consulting for transitioning Service members, active duty, veterans, Reservists, Guardsmen and their spouses who are interested in pursuing small business ownership.

# TOOLS

1. **Vertical IQ:** Provides trusted industry research on thousands of industries worldwide.
2. **MT Site Selector:** Powerful tool to assist you in finding a location for your business or industry in Montana.
3. **Traffic Report:** Provides Annual Average Daily Traffic Data throughout Montana.
4. **Value Proposition Canvas:** A tool which can help ensure that a product or service is positioned around what the customer values and needs.
5. **Business Model Canvas:** A Strategic management tool to quickly and easily define and communicate a business idea or concept.



# Downtown Bakery and Coffee Shop



## ROCK31 WEBSITE



[EXPERT HELP](#) | [EDGE OF THE PLAINS](#) | [TRAINING & EVENTS](#) | [FUNDING](#) | [FAQs](#) | [RESOURCES](#)

# FAQS

The best entrepreneurs ask lots of questions. The Rock31 team doesn't pretend to have all the answers, but we've got a lot of them! Here are a bunch of questions we hear a lot, organized into categories. We hope you'll find the answers you are looking for. If not, contact us!

[HOME](#) > [FAQS](#)

**CATEGORIES:** [BUSINESS REGISTRATION](#) | [COMMERCIALIZATION STEPS](#) | [FREE SERVICES](#)

## BUSINESS REGISTRATION IN MONTANA

What technical steps do I need to complete to establish a business in Montana?



## What technical steps do I need to complete to establish a business in Montana?

**Step 1:** Conduct a quick business name search to ensure your name is not already taken: [Click here](#)

**Step 2:** Consult your attorney and CPA to determine the type of business entity you should choose.

**Step 3:** Register your business with the Montana Secretary of State: [Click here](#)

- **If you are choosing an entity besides a Sole Proprietor, you can use this link to register your entity with the Montana Secretary of State, Create your Articles of Organization and file your EIN in one simply step and for one affordable fee : [Click here](#). (If you use this link, you may jump to Step 5)**

**Step 4:** Apply for a Federal ID number: [Click here](#)

**Step 5:** Find and apply for a professional license: [Click here](#) (Select- find a professional licensing board to locate a license for your industry).

**Step 6:** Inquire to see if you need an inspection or permit: [Click here](#).

**Step 7:** Obtain a business license for your city. For Billings, [Click here](#)

**Step 8:** Set up a business bank account (You will need proof of business name & Federal ID number).

**Step 9:** Purchase liability and other applicable business insurance (consult your agent).

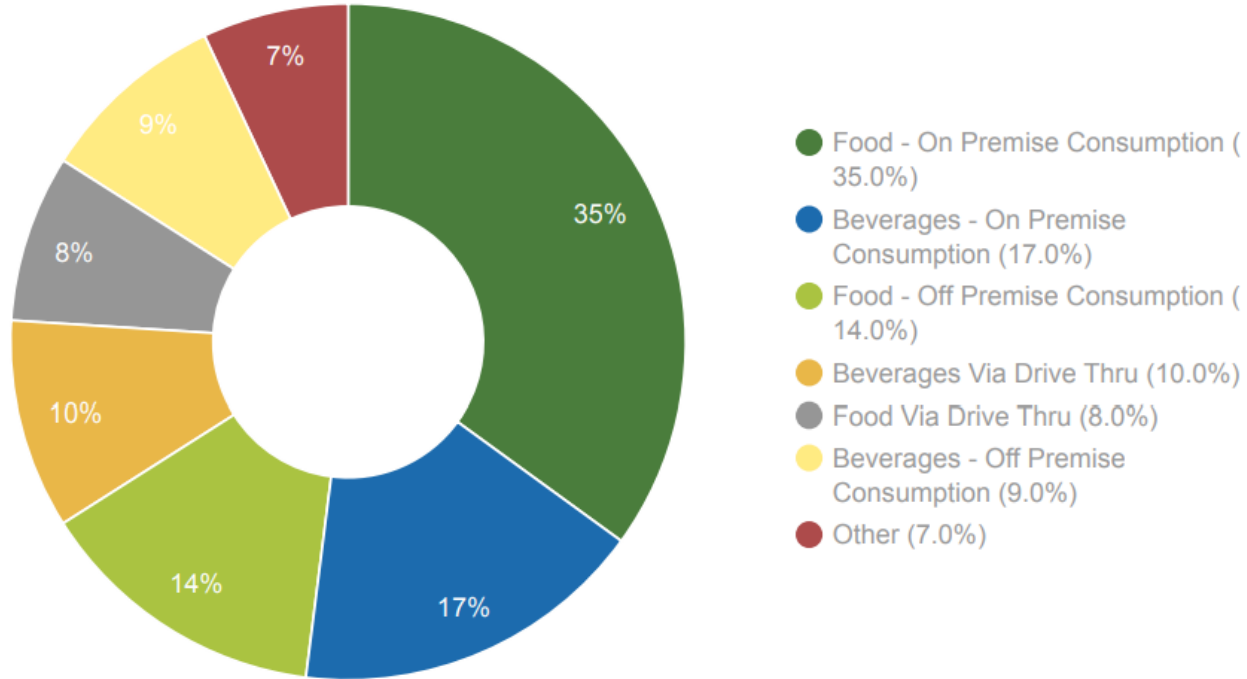
**Step 10:** Work with insurance agent & CPA to determine if you need worker's compensation or an independent contractor's exemption (this is important).

For questions on Worker's compensation [visit here](#) or consult your insurance agent.

For questions on Independent contractor's exemption consult your CPA.



## COFFEE SHOPS AND SNACK BARS REVENUE



Source: US Census Bureau



### Key Trends

Operators' ability to deliver food quickly has aided industry revenue growth

Operators that have franchising capabilities target markets with greater potential for growth

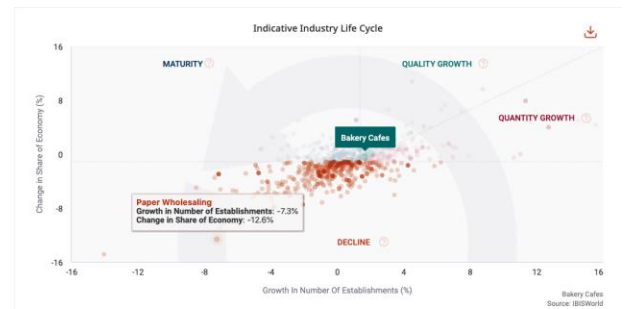
The price of food products is the industry's greatest expenses

The trend toward premiumization within the entire food service sector will likely continue

Industry consolidation is expected to continue as the number of establishments increases

Bakery cafes will likely still be subject to low profit as competition remains fierce

The industry has outpaced the food service sector, driven by changing consumer preferences





## Montana Site Selector

**BILLINGS  
CONSUMER  
SPENDING ON  
FOOD AWAY  
FROM HOME:**

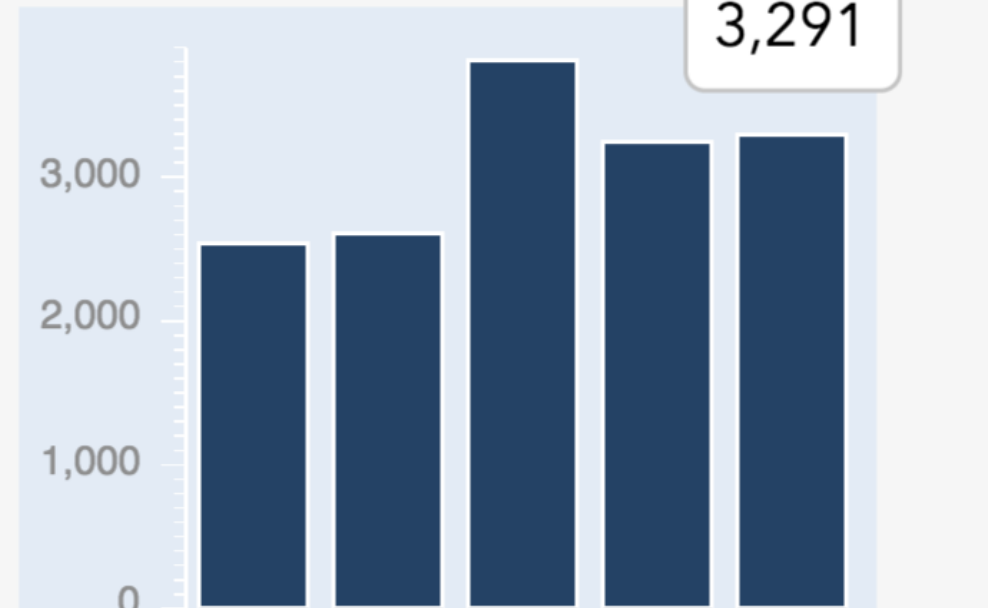
**2020-  
\$154,021,090**

**2023-  
\$165,850,914**

# ANNUAL AVERAGE DAILY TRAFFIC COUNT

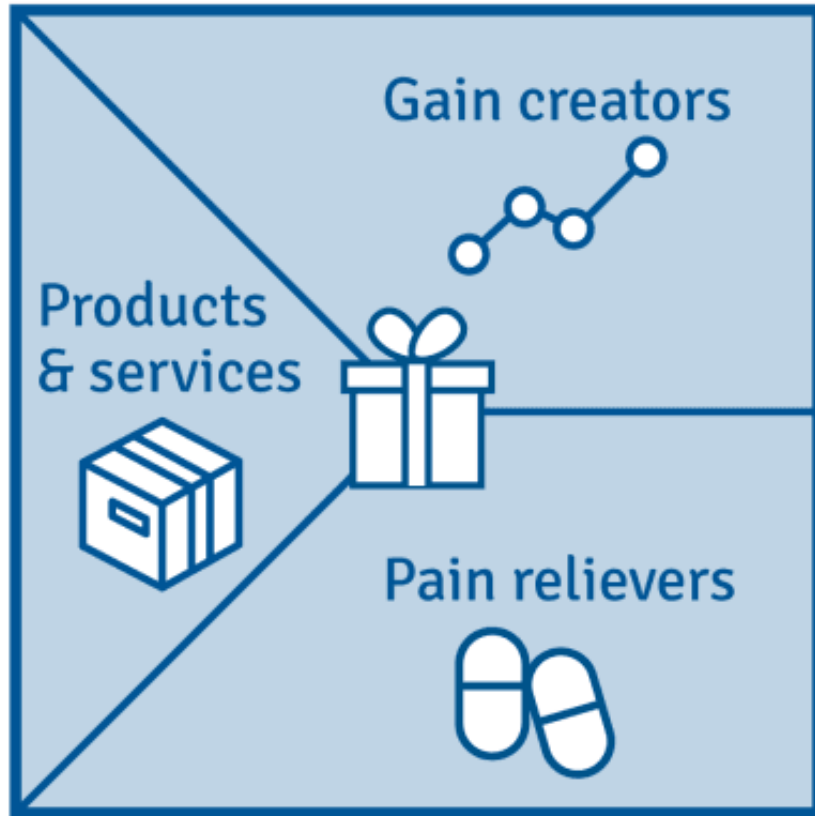


## Annual Average Daily Traffic (AADT)

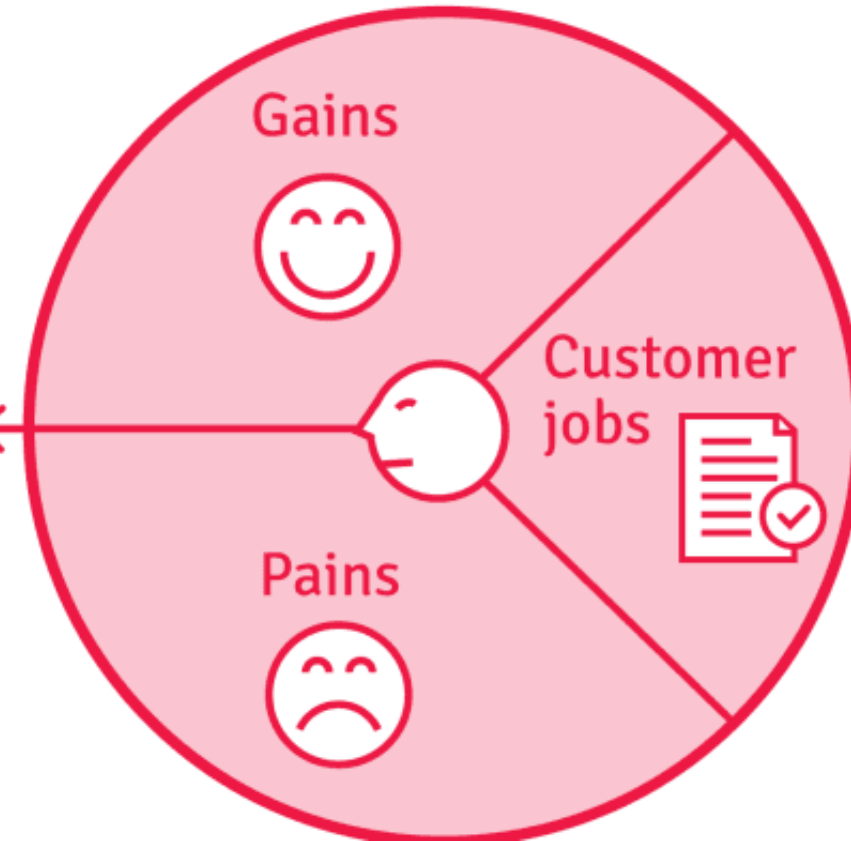


Montana Department of Transportation Traffic Maps

## Value Proposition



## Customer Profile



**What problem are you solving? Who are you solving it for? How do you know it's a problem?**










# The Business Model Canvas

Designed for:

Designed by:

Date:

Version:

Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 
	Key Resources 		Channels 	
Cost Structure 		Revenue Streams 		



This work is licensed under the Creative Commons Attribution-ShareAlike 3.0 Unported License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-sa/3.0/> or send a letter to Creative Commons, 171 Second Street, Suite 300, San Francisco, California, 94105, USA.

DESIGNED BY: Strategyzer AG  
The makers of Business Model Generation and Strategyzer

# EARLY RISER COFFEE

Number of Days OPEN in Month	30
<b>CALCULATE YOUR CONTRIBUTION MARGIN</b>	
Price per cup	\$2.00
Sales Volume per month	3,200
<b>SALES GOAL</b>	<b>\$6,400.00</b>
<b>Less Variable Expenses</b>	
Food Costs	0.50
Cups	0.05
Supplies	0.10
<b>Variable Cost Per Unit</b>	<b>0.65</b>
<b>Cost of Goods per month</b>	<b>2,080.00</b>
<b>Price Per Cup Margin</b>	<b>\$1.35</b>
<b>Contribution Margin Ratio</b>	<b>33%</b>
<b>Gross Margin</b>	<b>\$4,320.00</b>
<b>FIXED EXPENSES</b>	
Rent	\$1,200
Utilities - fixed portion	\$200
Insurance	\$450
Transportation/Delivery	\$625
Marketing/promotion	\$250
Professional fees	\$300
Miscellaneous	\$1,295
Other	
<b>Total Fixed Expenses</b>	<b>\$4,320.00</b>
<b>NET PROFIT</b>	<b>\$0.00</b>
<b>Daily ly Break-Even Sales</b>	<b>\$0</b>

Is this a competitive price?  
Can you make this many?

How can you keep your costs down?

Are you in line with the Industry average COG?

Can you lower fixed costs?  
Did you make a profit?  
How much every day?

# EARLY RISER COFFEE

Number of Days OPEN in Month	30
<b>CALCULATE YOUR CONTRIBUTION MARGIN</b>	
Price per cup	\$2.00
Sales Volume per month	4,000
<b>SALES GOAL</b>	<b>\$8,000.00</b>
<b>Less Variable Expenses</b>	
Food Costs	0.50
Cups	0.05
Supplies	0.10
<b>Variable Cost Per Unit</b>	<b>0.65</b>
<b>Cost of Goods per month</b>	<b>2,600.00</b>
<b>Price Per Cup Margin</b>	<b>\$1.35</b>
<b>Contribution Margin Ratio</b>	<b>33%</b>
<b>Gross Margin</b>	<b>\$5,400.00</b>
<b>FIXED EXPENSES</b>	
Rent	\$1,200
Utilities - fixed portion	\$200
Insurance	\$450
Transportation/Delivery	\$625
Marketing/promotion	\$250
Professional fees	\$300
Miscellaneous	\$1,295
Other	
<b>Total Fixed Expenses</b>	<b>\$4,320.00</b>
<b>NET PROFIT</b>	<b>\$1,080.00</b>
<b>Daily Break-Even Sales</b>	<b>\$36</b>

Do you have enough customers that will buy 4000 cups of your coffee?

# EARLY RISER COFFEE

Number of Days OPEN in Month	30
<b>CALCULATE YOUR CONTRIBUTION MARGIN</b>	
Price per cup	\$2.25
Sales Volume per month	4,000
<b>SALES GOAL</b>	<b>\$9,000.00</b>
<b>Less Variable Expenses</b>	
Food Costs	0.48
Cups	0.04
Supplies	0.08
<b>Variable Cost Per Unit</b>	<b>0.60</b>
<b>Cost of Goods per month</b>	<b>2,400.00</b>
<b>Price Per Cup Margin</b>	<b>\$1.65</b>
<b>Contribution Margin Ratio</b>	<b>27%</b>
<b>Gross Margin</b>	<b>\$6,600.00</b>
<b>FIXED EXPENSES</b>	
Rent	\$1,200
Utilities - fixed portion	\$200
Insurance	\$450
Transportation/Delivery	\$625
Marketing/promotion	\$250
Professional fees	\$300
Miscellaneous	\$1,295
Other	
<b>Total Fixed Expenses</b>	<b>\$4,320.00</b>
<b>NET PROFIT</b>	<b>\$2,280.00</b>
<b>Daily ly Break-Even Sales</b>	<b>\$76</b>

Is this still a competitive price?  
Can you sell 133 coffees a day

|

Can your COG be lowered?

Lower Ratio/more profit

Daily sales for 30 days a month



# What Lenders Typically Look For

- Business Plan
- Collateral
- Injection (20 – 25% is typical)
- Good Credit Score
- Financial Projections (1 – 3 years)
- Personal Tax Returns
- Basic Personal & Business Info



And it is the  
single  
**LARGEST**  
source of  
capital for



## WHAT IS CROWDFUNDING?

Using small amounts of money from a large number of individuals to finance a new business venture.

Kickstarter


Indiegogo



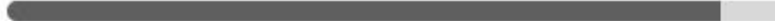
CLOSED

# Art House Cinema & Pub

FILM, ART, AND CULTURE FOR THE CITY

 **Matt Blakeslee**  
2 Campaigns | Billings, United States

**\$21,880** USD



72% of \$30,000 Flexible Goal

 FOLLOW

# CROWDSOURCING



# Business legal structures: Basic Comparison Table

Type	Structure	For	Against
Sole Trader	Exclusive owner of the business, entitled to keep all profits but liable for all losses	<ul style="list-style-type: none"> <li>• Low cost, easy to set-up</li> <li>• Full control retained</li> <li>• Very little financial reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Full liability for debt</li> <li>• Pay more in tax</li> <li>• Lacks credibility in market</li> </ul>
Partnership	Between two or more individuals who share management and profits	<ul style="list-style-type: none"> <li>• Same as above, but with more owners</li> <li>• More potential to raise finance</li> </ul>	<ul style="list-style-type: none"> <li>• Same as above, affecting all partners</li> <li>• Can be messy to wind up</li> </ul>
Limited Company	Private company whose owners are legally responsible for its debts only to the extent of the amount of capital that they invest	<ul style="list-style-type: none"> <li>• Less personal financial exposure</li> <li>• Favourable tax regime</li> <li>• Ability to work for corporate clients</li> </ul>	<ul style="list-style-type: none"> <li>• Administrative and regulatory demands heavier</li> <li>• Annual accounts and financial reports must be placed in public domain</li> </ul>
Limited Liability Partnership (LLP)	Some or all partners have limited liabilities, and exhibits elements of partnerships and corporations	<ul style="list-style-type: none"> <li>• Flexibility: can be incorporated in members' agreement</li> <li>• Advantages of limited company and partnership combined</li> </ul>	<ul style="list-style-type: none"> <li>• Profit taxed as income</li> <li>• Partners must disclose income</li> <li>• LLP must start to trade within a year of registration – or be struck off</li> </ul>

# INDEPENDENT CONTRACTOR OR EMPLOYEE?

## Becoming an Independent Contractor

A worker must be:

- Free from control or direction from hiring agent.
- Engaged in their own independently established business, occupation, trade or profession.
- Covered under a self-elected workers' compensation insurance policy or obtain an Independent Contractor Exemption Certificate (ICEC).

MONTANA.GOV  
OFFICIAL STATE WEBSITE



ERD Home → Montana Workers' Compensation Regulations → Montana Contractor → Independent Contractor Central Unit

## Independent Contractor Central Unit



### Becoming an Independent Contractor

**A worker must be:**

- Free from control or direction from hiring agent
- Engaged in their own independently established business, occupation, trade or profession
- Hold an Independent Contractor Exemption Certificate (ICEC) or carry workers' compensation (WC) insurance on themselves

**How to obtain an ICEC:**

- Read, complete, and submit the entire original and notarized [application and waiver form](#) with a non-refundable \$125 fee to the Department
- Also submit business documentation that demonstrates you have an established business for each occupation listed on you application

**Independent contractors can be fined up to \$1,000 per violation for:**

- Performing work without an ICEC
- Performing work with a revoked or suspended ICEC
- Transferring their ICEC to another person
- Misrepresentation of the independent contractor status

### When Hiring an Independent Contractor

**Make sure you:**

- Do not control the method and means of how they perform their work, i.e., providing equipment and training
- Have a written contract that states what is to be performed, materials used, start and completion dates, payment based on completed project, and liability for failure to complete the project
- Obtain references and check them out to ensure they are experts in their field of work
- Check periodically to confirm that they have a valid ICEC or WC insurance on themselves
- Ask for proof of their ICEC and verify it is in good standing by [searching](#) on our website; or calling our office at (406) 444-9029

**Hiring agent can be fined up to \$1,000 per violation for:**

- Exercising control to create an employee/employer relationship
- Requiring an employee to assume an independent contractor status

### Independent Contractor Administrative Rules of Montana

ARM 24.35.101-24.35.303

### Montana Code Annotated

IC Statutes 39.71.401-441

Website: <http://erd.dli.mt.gov/work-comp-regulations/montana-contractor/independent-contractor>

# WORKERS' COMPENSATION INSURANCE

Secure | <https://www.montanastatefund.com/web/workerscompensation/coverage.jsf>

Bplans Membership | GrowthWheel Orga | hp HP - See What's Hot | Suggested Sites | Neoserra • Montana | TSheets :: login | SBA VBOC Forms and Wc


User ID: Username Password: Password LOG

[Create Account](#) | [Forgot Username?](#) | [Forgot Password?](#)

Montana State Fund

WORKERS' COMPENSATION | ONLINE SERVICES | SAFETY RESOURCES | PUBLICATIONS | ABOUT

I AM: ▾



## Workers' Compensation

COVERAGES →

Get Coverage →

Agent Locator →

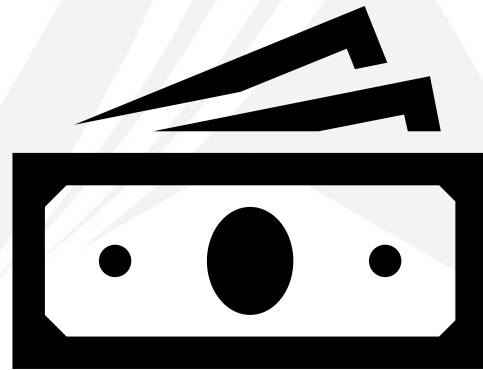
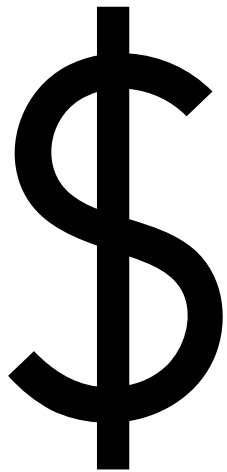
Policy Options & Information →

## Policy Coverage

**What do we offer?** At Montana State Fund we know you have a choice when you purchase your insurance. We offer various pricing and safety assistance programs, employer's liability, other work support for our policyholders. We also work with licensed insurance producers throughout the state with coverage. Contact an insurance agent or call a Montana State Fund customer service specialist for more information.



# QUESTIONS?





FOR VETERANS & MILITARY SPOUSES

<https://sba.vboc.ecenterdirect.com/signup>

FOR EVERYONE ELSE

<http://mtsfdc.ecenterdirect.com/signup>



## STARTUP RESOURCES

### **ROCK31/FAQ:**

<https://www.rock31.org/faq>

### **SBA BUSINESS GUIDE:**

<http://www.sba.gov/businessguide>

### **MONTANA SBDC TOOLS:**

<https://sfdc.mt.gov/newtools>

### **LIVE PLAN BUSINESS PLANNING TOOL:**

<http://www.liveplan.com/>

# OTHER RESOURCES & CONNECTIONS

GOVERNMENT CONTRACTING AT  
MONTANA PROCUREMENT  
TECHNICAL ASSISTANCE CENTER

<https://www.montanaptac.org/>

SCORE MENTORS

<https://billings.score.org/>

# RESOURCES

## MONTANA SITE SELECTOR

Montana focused industry & demographic data <https://svc.mt.gov/doc/siteselector/>

## MONTANA TRAFFIC DATA

[https://mdt.mt.gov/publications/datastats/traffic\\_maps.shtml](https://mdt.mt.gov/publications/datastats/traffic_maps.shtml)

## VALUE PROPOSITION CANVAS

<https://www.strategyzer.com/canvas/value-proposition-canvas>

578

ACTIVE CLIENTS IN THE  
BILLINGS SERVICE AREA



BIG  
SKY

# ECONOMIC

DEVELOPMENT

## THE MISSION

Focused on sustaining and growing our region's vibrant economy and outstanding quality of life, Big Sky Economic Development provides leadership and resources for business creation, expansion, retention, new business recruitment and community development.



*Building*  
**REMARKABLE**