



Dear business owner,

I'm pleased to announce the Town of Red River's fresh initiative to better serve our business community by making local entrepreneurs aware of the many free and low-cost services that exist to help them succeed. This welcome packet is part of that effort.

Here you'll learn about what's expected of you as a registered business — and what you can expect from us in turn. We've included guidelines for how to develop a business plan and what steps to follow to put that plan into motion.

The town's website now features links to public and private organizations that offer personalized assistance, low-cost loans, grants, training, networking, technical support and other services — some at no cost to you. You can obtain answers to common questions about employment law or the advantages of becoming an incorporated business, for example.

Evidence of the town's commitment to business is all around us. The town passed a Local Economic Development Act (LEDA), and we see this "Grow It" effort as a deepening of that commitment.



Mayor Linda Calhoun

I'm confident your neighbors in Red River share my hopes that your business prospers, because your success increases the quality of life for all residents. But we offer more than our best wishes — we offer tangible resources and all types of assistance.

Don't hesitate to call me or other town employees if we can help you in any way.

Sincerely,

Mayor Linda Calhoun

Town of Red River New Mexico

100 E. Main Street, Red River, New Mexico 87558
575-754-2277

Right ... From the Start



Congratulations on making the decision to launch your own business. Now it's time to develop a plan and choose a legal structure, if you haven't done so, and make sure you comply with state and federal regulations. You can learn more about these requirements on our website, but here's some of what's involved:

Make a plan

Studies show that business owners who craft a business plan have a higher rate of success. Just as you wouldn't travel in unfamiliar territory without a road map, you shouldn't embark on a business venture without an idea of where you're going and how to get there. See the *Plan for Profitability* page in this packet.

Choose a legal structure

How you structure your business is up to you. You can be a sole proprietor or form a partnership. Perhaps a corporation or limited liability company offers more of what you need. The Town can't offer you legal advice, but an attorney can. Effective July 1, 2013, if you incorporate your business, you must file with the New Mexico Secretary of State at www.sos.state.nm.us.

Obtain a federal tax ID number

Your business must be recognized by the federal government. While your personal Social Security number might suffice for a sole proprietorship, most businesses require an Employer Identification Number, or EIN. Apply for an EIN at the Internal Revenue Service website at www.irs.gov.

Obtain a state gross receipts tax (CRS) number

Apply for a state gross receipts tax number online at the New Mexico Tax and Revenue Service website at www.tax.newmexico.gov.

Register your business with the Town of Red River

Visit us in person at Town Hall after you've received or applied for the state gross receipts tax. Bring proof of the application if you haven't been issued a number.

Obtain necessary permits or certifications

Permits and certifications are required for specific industries, including construction, financial services, manufactured housing, alcohol and gaming. To see whether your business requires special permits, visit the New Mexico Regulation and Licensing Division website at www.rld.state.nm.us.

Follow the law when you hire

The U.S. Department of Labor website at www.dol.gov lists federal rules governing workplace safety, wages and hours and nondiscrimination. Find rules specific to New Mexico – such as the state minimum wage – at the New Mexico Department of Workforce Solutions, www.dws.state.nm.us. This is also where you register as an employer. To register for workers' compensation insurance, visit the Worker's Compensation Administration at www.workerscomp.state.nm.us.

Plan for Profitability



Every successful business begins with a plan that helps its owner stay focused on well-defined goals, just as a navigator charts a destination and sets a course to reach it. Whether you're just starting out or running an established enterprise, a business plan helps you measure your progress. And it helps you secure financing, because a plan proves to banks and other lenders that you're not just drifting aimlessly from one project or sale to the next.

The plan is critical, but the process of clarifying your vision and committing it to paper is what really makes it work. A business plan is a living document, requiring periodic tweaking as market conditions change. Here's how to start:

- ✓ Write a detailed description of the business and what you'd like it to achieve. Identify the niches you plan to fill and the value you bring to customers. Explain why the business exists, whom it serves, what product or service it offers and what problem the product or service solves.
- ✓ Define the demand for your products or services. If local demand isn't strong enough to sustain your business, explain how you'll expand your distribution area or your plan to be closer to your customers.
- ✓ Identify your competitors and specify how your product or service is superior to theirs. Explain what your competitors are not doing well and what you can do better.
- ✓ Describe how you plan to reach your target market with advertisements and other appeals.
- ✓ Review the business's ownership and its legal or tax status. Ask your attorney or accountant to determine which organizational structure works best for you and provides protection from liability.
- ✓ Outline how the business will be managed. Consider what types of insurance you need, agreements you need to sign and certifications or permits you need to secure.
- ✓ Estimate your monthly operating expenses. Be thorough and realistic, and let an accountant or trusted adviser review your projections.
- ✓ Project your monthly revenue and when you expect to receive it. Delayed payments can lead to cash flow shortfalls if bills come due before accounts receivable are paid.
- ✓ Use your revenue and expense estimates to determine how much money you need at the end of each month over two years and how much money you need to compensate for losses until you can make a monthly profit.
- ✓ Decide how much to charge for your product or service and how much you must sell to reach a break-even point.



Here to Help

Dozens of organizations – public and private, local and national – are in business to help business. They offer free or low-cost advice, training, technical assistance and industry expertise. Some will connect you with money, whether it's a loan, a grant or direct investment.

Many nonprofit organizations and government agencies have offices or field representatives throughout New Mexico and they are only a phone call – or email – away.

Local assistance, networking and workshops

- Red River Economic Development (redriver.org/economic)
- Small Business Development Center (SBDC) at UNM Taos (575-737-6214 or nmsbdc.org) for workshops and business consulting
- PTAP (Procurement Technical Assistance Program) Center at the Santa Fe Community College SBDC (505-428-1343) for help with government-contract certificate programs
- Regional Development Corporation (505-820-1226) for regional market statistics and potential business development programs
- Taos Entrepreneurial Network (575-613-4855) for business coaching and resources
- Red River Chamber of Commerce (754-2366) for networking, events and connections
- WESST Enterprise Center - Santa Fe (505-474-6556 or wesst.org)
- New Mexico Biz Calendar, North Central Region (bizcalendar.org) for business events

Specialized assistance offered by New Mexico-based organizations (many of which have field representatives who serve our area)

- Los Alamos Connect (losalamosconnect.net) for a group of integrated business services, including coaching, technical assistance, market research and investment opportunities
- New Mexico Economic Development Department (gonm.biz) for potential tax incentives, certification training, international trade assistance and community programs such as Arts & Culture District development and the MainStreet Program.
- New Mexico Manufacturing Extension Partnership (newmexicomep.org) for help setting up or streamlining manufacturing processes that lead to higher profits

Capital, financing and special grants

- Your community bank for financing your business; your local banker knows the community and has an interest in helping it – and your business – thrive
- USDA Rural Development (rurdev.usda.gov/nm) for business development loans, grants to upgrade energy systems and loan guarantees; the agency also offers various producer grants on a competitive basis
- WESST (wesst.org) for microloans smaller than your bank may be able to provide
- Accion (accionnm.org) for startup loans your bank may not be able to accommodate
- The Loan Fund (loanfund.org) for startup and expansion loans and lines of credit
- The Town of Red River (754-2277 or redriver.org) for other potential business development incentives or programs

For other resources, visit: <http://financenewmexico.org/category/resources/?city=RedRiver,%20nm>