

Seven Critical Mistakes  
Aspiring Planners Make  
*Before* They Book  
Their First Bride  
...and steps to take to avoid them.

By Wendy Robinson



Seven Critical Mistakes Aspiring Planners Make BEFORE They Book Their First Bride  
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## Why am I writing this report?

My story started when I was in high school and I needed to fill my senior year class schedule with some elective courses. The plan was for me to attend college to become a physical therapist...I wanted to work with athletes. You know...the real cute ones with big muscles? Yeah, them.

Anyway, I had taken all the college prep courses I needed by my senior year. I couldn't graduate early because in order to graduate, I had to have four years of Language Arts and four years of Physical Education. So, in addition to those classes, I decided to try a few business courses. If I ever owned my own company one day, I'd have a good foundation in business.

I took a business typing class and an accounting course and long story short, I went on to study at UConn in their business program; went on to work in accounting departments for diverse industries for the next 25 years and ended up in a Director of Finance position for a company in Phoenix, Arizona.

But there was always a party planner in me. I was known for some of the best parties on campus and as a young adult growing up right outside of NYC. So in 2005 I satisfied my creative side by starting Sacred Moment Weddings.

I had marginal success in the first year or so in the company. I still do about 3-5 weddings and other social events a year. Interestingly, as I was building my wedding planning company, many aspiring planners like me would ask me for advice on how I structured my business. At almost every networking and educational event I attended, I found myself talking about the business strategies that other new planners were struggling with and the solutions that I found useful.

Eventually, I started to spend more and more time helping other aspiring planners instead of marketing my own business. I was also responding to an obvious need in the industry - there wasn't much out there for aspiring planners. Let me be more clear...

They began to tell me how they were frustrated with the lack of industry specific business advice they had available to them. None of the associations they were joining gave them any



solid, useful “how to” information...it was all a lot of “what” and “why”. They thanked me for the information I was sharing and how wonderful it was that I was willing to help them.

Out of this need I created the Aspire to Plan blog so I could start to share my advice on a larger scale. I’ve gotten tremendous feedback from planners across the globe including the UK, Australia and Greece!

In a little more than a year, I’ve grown it into a full service, business consulting practice. I’ve coached many planners on how to start their business so that they aren’t wasting time how to implement what they need to be successful.

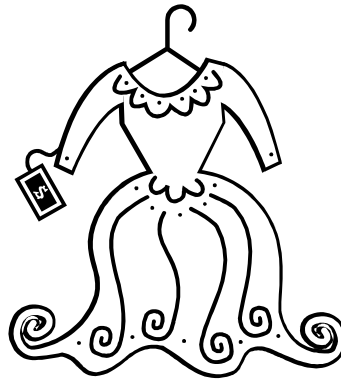
While coaching aspiring planners, I’ve noticed some critical mistakes they make when starting their business. This report deals with those mistakes and ways to avoid them.

I hope you learn something and enjoy!

## **Aspiring planners don't really take the time to find out if wedding planning is really something they're cut out for.**

Have you ever wondered how many planners have emerged on the scene in the last 10 years or so? According to "X Source", in the year 1980, there were X,XXX wedding planners in the United States. Today, in 2010 there are more than X,XXX,XXX nationwide!

Where in the world did they come from?? (The X's represent an unknown number...there are no statistics on the number of planners in the United States but I know it's a HUGE number!)



- Some of them planned their own wedding and had such a good time in the planning, decided to make a career of it.
- Some of them were in careers that they were pushed into after college because of parental pressure (think of the parent who insists their child will be a doctor or lawyer), and decided to make a career change.
- Some attended a wedding and noticed so many things they would have done differently, that they decided they would love to spend time doing it "better than her" and playing with pretty linens and delicate flowers for a living.

Now let me say this....none of these scenarios is wrong. Not in the least. It's the thinking that these factors ALONE are reason enough to start a career as a wedding planner that is

unwise. What's even worse? They actually tell others that this was what led them to become a planner.

“Not a good look”, as my super cool kids would say!

Let's look at the first reason noted about...Some would say that planning your own wedding and then trying to become a planner because of that fact alone, is crazy.

I agree. IF it's the only reason.

What I DON'T agree with is when those same individuals tell an aspiring planner that they must NOT use that fact when promoting their business. They say it, “gives the impression that you are an amateur.” I don't always agree with that.

While it's true that planners today have gotten a bad rap in recent years because of all the untrained newcomers to the industry; if the fact that planning your own wedding is part of your compelling story, then I say go with it! There's nothing wrong with weaving it into your brand as long as its relevant.

Ok, moving on...

What I have learned in coaching and helping aspiring planners is that most of them didn't take the time to research the career thoroughly and find out what talent, passion and skill they would need to really be successful at it.

As it is with any career, you need to be trained and educated in your chosen profession before you try to earn a living at it. Training and education take time. I researched the wedding industry and how to be a wedding planner for more than a year before I started my company.

But even before you start to train and educate yourself, you first need to know if you're cut out for it from a personality perspective and from a practical sense.

*What does your talent list look like?*

Being a wedding planner requires talent. Chances are you already have one or two of them that you can apply to the job. Mix that in with a good dose of the right learned skills and passion and you are on your way!

Sit down and take a complete inventory of the talents you already bring to the table. Be a VERY hard grader. Why? You need to know what situations you can handle and what you can't.

Weddings are emotionally charged events. Some say planners should also have some training in psychology and sociology. Having exposure and being familiar with the human psyche is a plus in any career; having it when you're a wedding planner is gravy!

Another reason to be aware of your talents is because finding solutions to last minute problems is easier when you have a sense of your capabilities versus ones you don't. Know your limitations so that you can be prepared for any kind of situation. Even if that means calling on someone else to help.

Think about the personality, inherent talent and skills of a planner that YOU would hire and work with. What questions would you ask of her or him? And finally, what would they have to be passionate about to win your business?

An ideal list of talents might look like this:

- Works well with a team
- Great at time management
- An artistic eye
- Calm and cool under pressure; compassionate
- Able to think and make decisions quickly
- Being a "forward" thinker; being able to see the big picture
- Have a knack for details AND...
- Knowing when getting caught up in the details, ruins the big picture
- Being organized
- Learning how to work well with others...clients, their families and vendors



If you're honest, you'll agree that you either have these talents or you don't. Some of these things can be taught but most of them are traits people are born with..

*How do you measure up?*

**Name some of your inherent talents and apply them to the career of a wedding planner.**

**Talent**

**Application**


Now, on to your skill set...

We've been taught how to do things all of our lives, right? From learning how to talk, walk and ride a two wheeler...to learning how to be a cashier at the local grocery store (do they still call them grocery stores?), we all have a laundry list of skills that we're good at.

Some of what we've learned...and become REALLY good at...can be used as a wedding planner. One of the things I've learned throughout my career as a financial analyst is that my skill set could be used in a variety of industries, and careers. Being very good at handling and analyzing numbers has helped me to be an excellent budget manager when working with my clients money. It has also helped me in helping other planners with their budgeting skills.

*What skills do you have that can be used in your new career?*



Think about all the things you've learned how to do and can do well...don't leave anything out. We're all good at something! The following list may jog your memory...

- What's one thing you can remember learning in kindergarten that has stayed with you up until now?
- What's the one thing you were known for in elementary/junior high school?
- How did you spend your summers as a child?
- What does your family always call on/volunteer you for?
- List all of the things you like to do on Saturdays and Sundays. The operative phrase here is "like to do".
- Are you a volunteer? If so, in what way do you serve others?
- Are you a member of any boards/organizations? Church? Networking groups? Gym? Clubs? What do you do for them?
- What job skills have you learned outside of the hospitality/wedding industry?
- What do/did your co-workers tell you that you are a "whiz" at?
- If you didn't need the money, what job would you most enjoy?

*Use the worksheet below to create your skill set:*

**Name all your learned skills and apply them to the career of a wedding planner.**

**Skill**

**Application**




Finally...it takes REAL passion for people and for the sacredness of marriage to make it in this industry. If you don't believe in marriage then this is not the career for you.

Emotions will run in every direction before during and after the event. You must really be sensitive to the signals you get from the bride, groom, parents and all others involved...all at the same time. You won't be able to manage that if you don't care about people...I mean REALLY care!

I love family and everything it stands for. I live my life for them and I work hard so that family time is enjoyable and fun. When I entertain, I pull out all the stops...food, music and atmosphere. I put out all the cozy comforts I can think of because I want them to feel loved when they visit my home.

Because of this passion for family, I feel as if every couple and family I work with is like planning the wedding of someone in my own family. I'm getting teary eyed just thinking about it!

Now, get to work...use the area on the following page to find the passion YOU can use as a wedding planner!



**Describe all of the things you are passionate about. Be specific and it does not have to be directly related to the wedding industry.**

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**How can you apply these passions to your career as a wedding planner?**

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## **They don't take the time to learn what it means to own a business or the proper way to structure it in the legal sense.**

If you plan to own your own company (most wedding planners are independent business owners as opposed to working for another planner or planning company), you will need to learn how to operate a business. Learning how to be a wedding planner won't teach you how to be a business owner.

They also don't learn how to structure their company in the legal sense. Corporation? Limited Liability Corporation (LLC)? Partnership? Sole Proprietorship?

Learning the benefits, drawbacks and requirements for each of these are VERY important....especially if you plan to actually BE in business as opposed to operating an expensive hobby.

*(There's a table listing the pros and cons of each of these in the appendix section at the end of this report.)*

Creating a business plan is a great idea...in fact, it's essential. You wouldn't go on a road trip to a place you've never been without a roadmap, would you? Creating your company overview, crafting a comprehensive mission statement, describing in detail how you will operate and what your organizational structure will be, are critical must haves *before* you book your first bride.

When I first started my business, I created a traditional business plan...one that I could take to a bank for financing. But then it sat on a shelf for the first 18 months...it really wasn't something that I used as a guide while I was building my business. It helped me to organize my overall company profile and how I wanted to do business, but beyond that, it wasn't a roadmap to help me implement those ideas.

Today, when I coach new planners with my "[Before the Bride](#)" program, I work with them to craft a business plan that is functional and one that specifically addresses their goals on an ongoing basis.

It also serves as a guide to implementing those goals over a three to five year period, complete with action steps broken up into quarterly goals. This helps when those bright, shiny objects come knocking on your door saying, “pick me, because this is what everyone is doing to promote their business now!”

I’ll deal more with the business plan in the next two sections. Learning what you need to know about small businesses will help you to be successful. Don’t just wing this! Educate yourself and you EMPOWER yourself!

There is a ton of information available in books that deal with being in business. Here are a few to get you started:

- *The Unofficial Guide to Starting a Small Business* by Marcia Layton Turner
- *The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It* by Michael E. Gerber
- *Good to Great: Why Some Companies Make the Leap and Others Don't* by Jim Collins
- *The 100 Best Business Books of All Time: What They Say, Why They Matter and How They Can Help You* by Jack Covert
- *Tribes: We Need You to Lead Us* by Seth Godin

## **They don't create a marketable and compelling brand or identity for their business...and they don't identify their ideal client.**

It all starts with you. Yes, you are your brand.

I am a very nurturing, motherly, and laid back type of person. (I'm a cool, nurturing, motherly and laid back type though...don't get it twisted! ☺) So my business brand speaks to clients that want that nurturing, motherly type of a planner.

Many of the brides that choose my company either don't have their mothers or female family members close by to help them plan their weddings, or they're no longer with us and have gone on to be with the angels. I provide the traditional support that they're looking for.

I try to convey a warm, "huggy, fuzzy" feel to my brand (just like me) and the pictures I use most often are filled with displays of family love and emotions of the wedding day.

What does your brand say about you? How do you want your ideal clients to feel when they first see your ad or hear about you? And remember...The moment they first lay eyes on your brand or hear about you is the beginning of the sales process.

Your Assignment? Read this article by Tom Peters called "[The Brand Called You](#)"

And speaking of ideal clients, do you know who you want to work with? A great marketing plan starts with your ideal client and where you can find them. Don't assume you want to work with any and everyone. And don't make the mistake of serving every kind of client until you find your ideal client. You can identify her BEFORE you book that first bride.

Here are some things to think about to get you started:

- Look in the mirror – seriously! Your ideal client is most often a reflection of you!
- What kind of bride were you/are you/would you like to be?
- Look at your closest friends.



- Look at the people you get along best with at your current job; or if you're just out of college, look at the people you attended college with
- Where do they shop?
- What movies and TV shows do they watch?
- What restaurants do they dine in?
- Pick your favorite movie character; describe in detail the personality of that character and how you would win them as a client

Crafting the complete profile of your ideal bride will take time, but having a starting point gives you a place to target your marketing activities.

Want to service the luxury market? Then you'll need to look like a luxury planner...in ALL aspects of your business and your personal appearance.

Targeting young, college aged brides? Familiarize or re-acquaint yourself with college life.

Want to work with busy, career focused and/or health conscience couples? You may have to hit the gym!

Bottom line is you have to "fish" where the fish are AND you have to know how to swim. What ever it takes, right? This is a crucial step in building your brand and your business. Everything you do in terms of marketing and operations will be to serve this client. Make sure you're "speaking" their language or they won't hear you.

## They don't spend enough time on the organizational and operational aspects of their business.

When you start a business, you are the CEO, the Administrative Assistant and everything in between. Wearing all those hats can be a juggling act that drives you crazy, right? That's why you need to create an organizational chart for your company.

Here's a very early version of one I created for my company:

# Organization Chart



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Think in terms of job titles as opposed to people because remember...you wear all the hats.

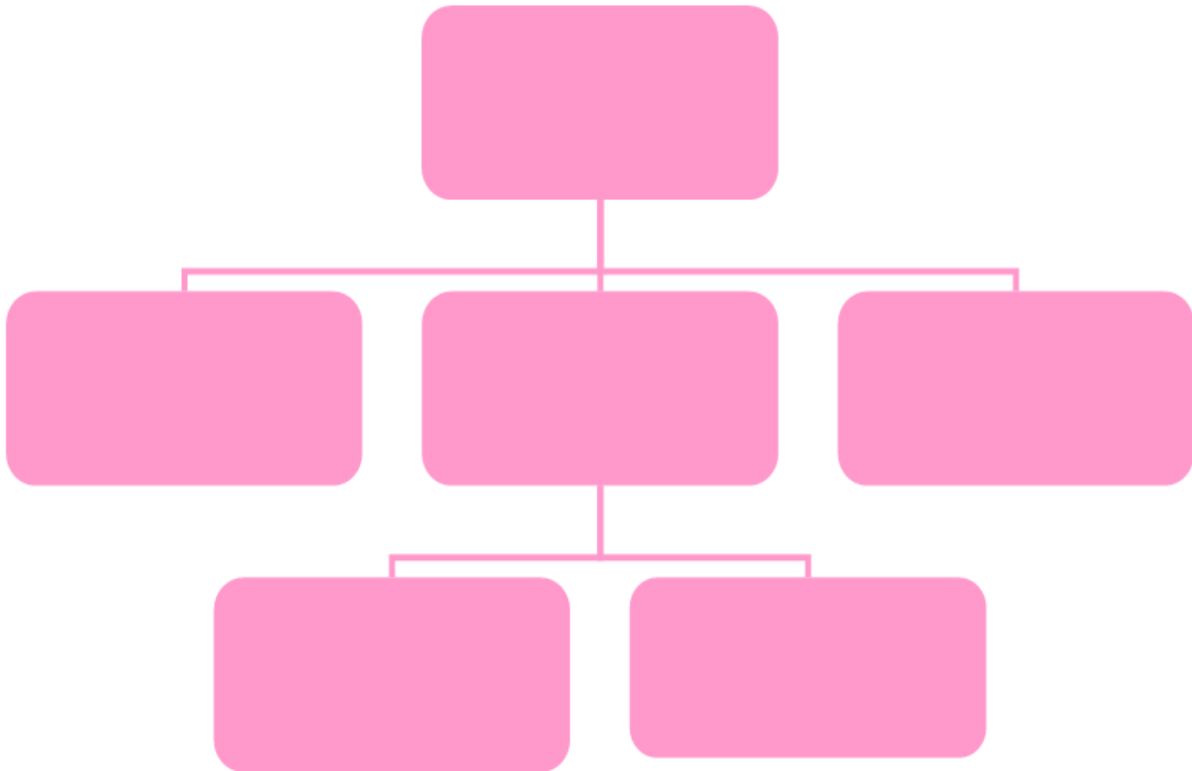
- Associates
- Assistants
- Customer Service Representative
- Bookkeeper
- Marketing Manager, etc.

Next, think about all of the tasks these positions handle on a day to day basis and also from a client care perspective. Everything from marketing and overall business oversight to vendor sourcing, meeting and appointment scheduling, design work, invoicing, bookkeeping, etc.

Lots to do, right? It will help if you write it all down and organize in a logical way. Starting with an org chart really helps my coaching clients gain some perspective quickly, on what needs to be done in a new business.

**Take some time and create your own chart:**

# Organization Chart



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And then there's your Operational Process. Who does what when and why?

If you receive an email from a bride looking for packages and pricing information, how will you respond? Remember, this is another part of the initial sales process so be intentional with how you respond.

The next page illustrates a flowchart for a client inquiry process. Creating one similar to this for all your processes helps to operate your business in a consistent manner.

In any process you need to know three things:

1. What are you doing? (Taking a client inquiry)
2. What are you trying to accomplish? (Schedule a get acquainted meeting)
3. How are you going to get it done? (Describe each twist and turn in detail)

Each rectangle in the flowchart represents an area to create a standard response. By standard I mean one that is consistent with your brand and what you are trying to accomplish as part of your sale process. (More on the sales process later.) Documenting your standard responses also allows you to create a process manual so that you can automate your systems for others...like interns and assistants.

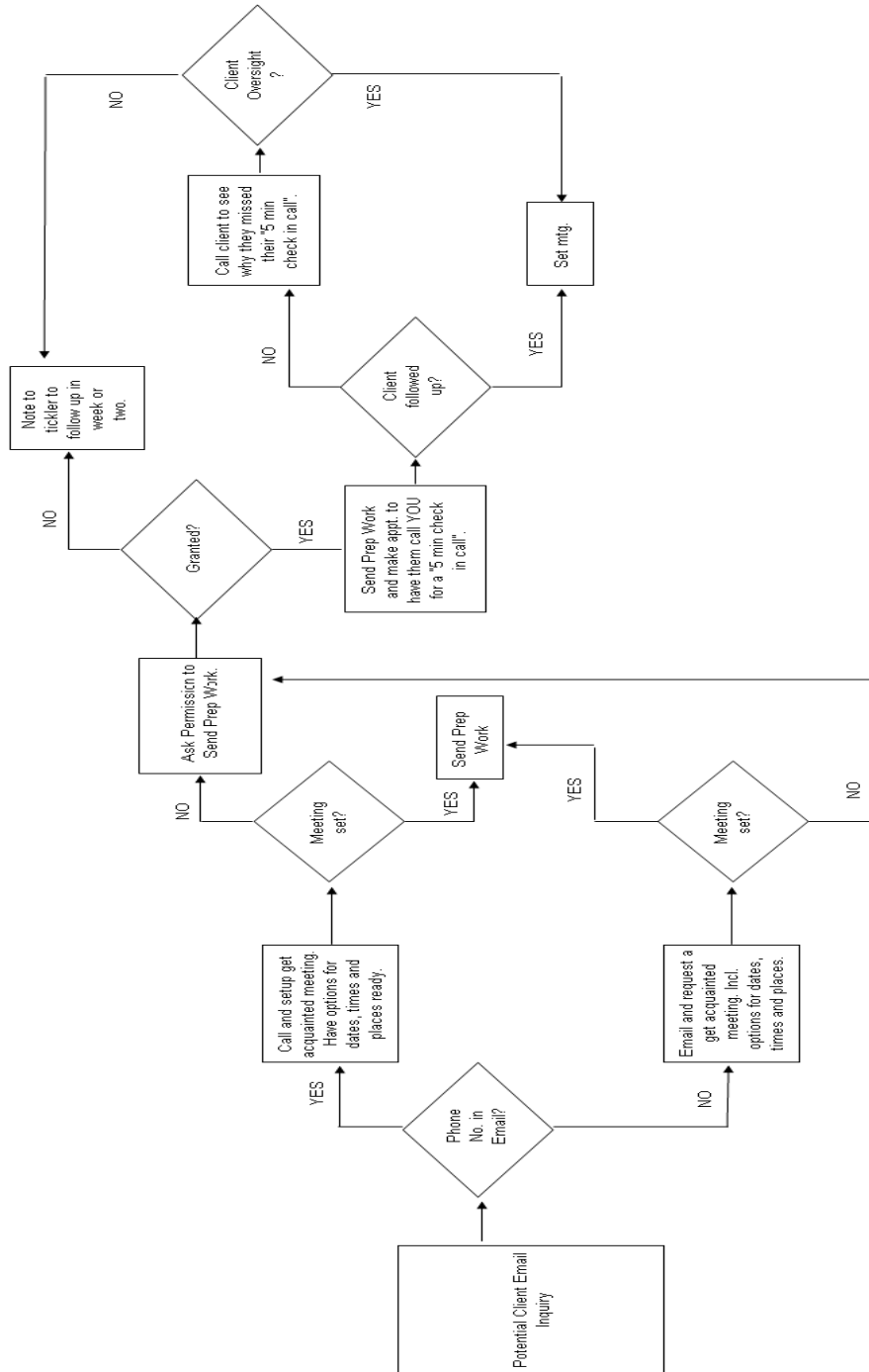
One of the major processes I encourage all new planners to create right away is one for each time you book a new bride...written down and documented in your process manual. Think of all the steps you will take them through during the planning phases, all the way through to the wedding day and after. Don't be ad hoc about it...you'll become known for how you do things in your business so make sure you have a solid process in place.

Begin with how you would want to be treated as a customer. Then look back at the last two or three customer service experiences you've had. What worked and what didn't?

This is one area that I go into "really" deep with aspiring planners because first impressions are VERY important, right? What you do here can make or break you.

Do this exercise with every process in your business. Write it down and add it to your procedures manual. And when something doesn't work, be sure to make adjustments and update your process accordingly.

Seven Critical Mistakes Aspiring Planners Make BEFORE They Book Their First Bride



## **They don't take the time to decide what services and pricing they will provide...design, consulting, planning and coordination.**

Will you be a planner who also designs the entire look and feel of the wedding? Or are you a logistical genius who really likes coordinating all the players of the day? Will you offer a combination of both?

I love to design an overall wedding theme but truthfully, there are wedding vendors so much more talented than me in that area. So when a client comes my way that wants a truly awe inspiring designed event, I pull together a vendor group that shine in those areas where I'm weak.

Now when it comes to bringing all those details together? The "production" details? I'm a master at that! Some call me the little general! (I'm 5' 4" tall...barely, so I'll answer to that name most of the time.) But I'm a gentle general ☺

Anyway...I digress.

You really must decide the actual components of your services in order to price them correctly. Here's why...

"Day of Services"? No such thing! I learned this with the very first wedding I booked under the Sacred Moment Weddings umbrella. The bride was high maintenance (in a good way, if such a thing exists), they were having their wedding and reception at a private country club about an hour from my home base, they hired me for decorations and coordinating AND a few of the vendors she hired prior to me were incorrigible!

I grossly under priced my services for that wedding and it wasn't because I was trying to price myself lower than my experienced counterparts. I didn't understand the increased work that goes into this type of service and therefore didn't understand that I needed to charge for it accordingly.

Here are some things to consider when pricing your DOC services:

1. **Scheduling Parameters:** How far out from the wedding date will you book this service? Too early and you may lose out on a full service job. Too late and it may turn out to be more work because of pre-planning mistakes made by the couple before they booked your services.
2. How many planning meetings will you include in this service? What will the length of these meetings be and how will you ensure that they don't turn into a meeting marathon?
3. What specific services will you include?
  - a. Vendor Recommendations
  - b. Pre-qualified Vendors
  - c. Rehearsal Coordination
  - d. Wedding day services
  - e. After the wedding services

Be very specific in what you will do for couples and how much time you allocate for DOC contracts. It's very easy to book DOC work, especially when you're just starting out. A common trap with DOC however, is that as you work through the process, your client will start adding on little tasks here and there as you get closer to the wedding day.

Be sure you have a clear policy on taking on tasks outside of the original scope of work. If you don't, you will dilute your profit margin to the point where you're not making much money.

## **They don't learn the importance of consistent marketing or the "art of the sale".**

"Never dig your well when your water runs dry." I don't know who said this or in what context it was originally quoted but it is VERY true. I experienced a wealth of brides in the six months after I launched my business.

During the initial weeks and months after I started Sacred Moment Weddings, the clients weren't contacting me. It was discouraging at first. But after about six months, the phone started to ring and the emails for initial consult requests started to steadily come in. I had no idea at the time that it was due to my consistent marketing.

Then I got really busy...and I stopped marketing. At the eighteen month mark of my business, suddenly the phone stopped ringing. I quickly realized that my well had run dry and that I needed to start marketing again.

You also need to make sure that your marketing strategy lines up with your sale process. As I mentioned earlier the critical mistake called – *"They don't create a marketable and compelling brand or identity for their business...and they don't identify who their ideal client is."*, you really have to remember that booking a client starts from the moment they first come in contact with you and your company. That may mean BEFORE they contact you by phone or email.

I am NOT a sales person in the most common sense of the word. I hate selling! I've learned recently that I don't have to "push" at clients to book my services. Because of what I've learned, brides now self select my services so that by the time they contact me, they already know that want to work with me.

So be intentional about your marketing and learn how your ideal clients buy services.

Here are some low to no cost ways to market your wedding planning business:

1. Networking with well known vendors in town
2. Visiting with popular venues in town
3. Press releases to local wedding and hospitality publications
4. Warm letter of introduction or update to your close circle of family, friends and former colleagues
5. Social Media; Facebook, Twitter, Linked In, etc.
6. Blogging

And with regard to selling...again, I'm not an expert. But here are some things that I've learned:

1. The sale starts the moment a bride comes in contact with you or your brand. Be intentional when creating your website, business cards and other collateral you decide to use for your company.
2. Be intentional about your sales process. Refer back to the flowchart I illustrated for you a few pages ago. Write out each step of the process. Put yourself in the shoes of your ideal client and think about what their thought process would be in hiring you.
3. Learn what objections your ideal client will throw at you to avoid making the decision to hire you. They will find every excuse in the book NOT to hire you...find a way to overcome them.
4. Create a process for rewarding your client once they've hired you. Referrals are like gold to wedding planners and the client referral is the best lead yet.

## **They don't create a system to record and monitor the financial transactions in their business.**

Accounting and bookkeeping is my expertise. I've built my life from the successes I've been blessed to experience while being an accountant. It's what I know...

And the other thing that I know for sure? Those of you who are NOT accountants and bookkeepers HATE the numbers! No way around it and I'm not going to sugar coat it.

But...

The numbers in the life of a business mean everything. From the moment you decide to create your business to the day you dissolve or sell it to someone else...knowing your numbers and understanding them can help you accomplish things in your business that you never thought possible.

This is one area of life that we should be a control freak about! Not to the point where we do it all ourselves but to the extent that we know exactly what's coming in and going out AND what it takes to operate and grow the business.

So let me come down your street for a moment:

Here's why you hate the numbers:

- Not good at it...
- No time; You're too busy doing "the work" in your business
- Just can't keep track of all the receipts
- Not sure what to track and what not to track
- Don't know how to organize and create systems on all the ways the money comes and goes...
- Afraid to find out if you're making a profit
- It's not "GLAM"!
- Don't know what to do so you practice avoidance until April 15th...



Here's why you SHOULD love your numbers:

- Prevent overdrawn bank accounts and the fees the banks steal from us (my apologies to all the bankers in the house!)
- Avoid being disorganized at tax time...wasted time and money
- Business Mgmt. Decisions...Long and Short Term
- ROI

And the number one reason?

...so you CAN concentrate on all the “GLAM” work in your business...which is the reason you went into business in the first place!

I'm not telling you that you have to learn how to do it...the bookkeeping and all of that. Debits and credits and what journal entry goes where is better left to those who are trained in the theory of accounting.

Plus, software programs like Quickbooks and others make it VERY easy for business owners to keep track of their money. But if you aren't going to spend time to learn what money is coming in and going out the door then you can't make the goals you set for your business a reality.

You won't be able to know whether you are operating efficiently and in such a way that affords you the chance to enjoy the fruits of your business.

Hire someone if you must but still...you have to learn to understand them. Love them, even!

Start up costs?

Here are the basics:

1. Six to twelve months of living expenses
2. Salary expenses
3. Computer and internet costs
4. Telephone costs
5. Online presence costs (website, domain, hosting fees, etc.)
6. Graphic Design for business collateral
7. Printing costs for business collateral (business cards, promo pieces, etc.)
8. Business licenses and other legal fees to operate as a business in your state
9. Office supplies
10. Marketing costs
11. Insurance costs
12. Travel and educational expenses

You may already have some of these items, like a computer and internet connections. And some may not cost you anything; especially if you're savvy and can design your own business collateral. Bottom line, it takes money to start a business *properly*.

So there you have it! Seven of the most critical mistakes that aspiring planners make before they book their first bride. I hope you've enjoyed the information I've shared with you in this report. The only thing left now is to implement!

Getting started is as easy as reading back over this report and doing the exercises...REALLY spend some quality time on them. Use the content as your guide to doing a thorough evaluation of your business. To be successful for the long term you need to have a good understanding of what it means to be in business and how to run it efficiently and profitably.

Then, if you're ready to take your business to the next level, then you're ready for "[Before the Bride](#)", a step by step process that will help you to make sure wedding planning is for you; define your company's mission and goals, begin the branding process, create systems and much more.

Visit [www.AspiretoPlan.com](http://www.AspiretoPlan.com) for more details.

If this report has inspired, motivated, or made you take action in your business, please forward this on and tell others about it so that they can benefit too!

If you would like to ask me any questions or contact me about my services feel free to email me at [wendy@aspiretoplan.com](mailto:wendy@aspiretoplan.com) or call me toll-free at 1-888-316-8430

I look forward to hearing about your business very soon!

Aspire to Plan!



Wendy Robinson  
Business Planning Consultant  
1-888-316-8430  
[Wendy@Aspiretoplan.com](mailto:Wendy@Aspiretoplan.com)  
[www.AspiretoPlan.com](http://www.AspiretoPlan.com)



## APPENDIX

### Business Structures

Type of Entity	Main Advantages	Main Drawbacks
Sole Proprietorship	<p>Simple and inexpensive to create and operate</p> <p>Owner reports profit or loss on his or her personal tax return</p>	Owner personally liable for business debts
General Partnership	<p>Simple and inexpensive to create and operate</p> <p>Owners (partners) report their share of profit or loss on their personal tax returns</p>	Owners (partners) personally liable for business debts
Limited Partnership	<p>Limited partners have limited personal liability for business debts as long as they don't participate in management</p> <p>General partners can raise cash without involving outside investors in management of business</p>	<p>General partners personally liable for business debts</p> <p>More expensive to create than general partnership</p> <p>Suitable mainly for companies that invest in real estate</p>
Regular Corporation	<p>Owners have limited personal liability for business debts</p> <p>Fringe benefits can be deducted as business expense</p> <p>Owners can split corporate profit among owners and corporation, paying lower overall tax rate</p>	<p>More expensive to create than partnership or sole proprietorship</p> <p>Paperwork can seem burdensome to some owners</p> <p>Separate taxable entity</p>



Type of Entity	Main Advantages	Main Drawbacks
S Corporation	<p>Owners have limited personal liability for business debts</p> <p>Owners report their share of corporate profit or loss on their personal tax returns</p> <p>Owners can use corporate loss to offset income from other sources</p>	<p>More expensive to create than partnership or sole proprietorship</p> <p>More paperwork than for a limited liability company which offers similar advantages</p> <p>Income must be allocated to owners according to their ownership interests</p> <p>Fringe benefits limited for owners who own more than 2% of shares</p>
Professional Corporation	<p>Owners have no personal liability for malpractice of other owners</p>	<p>More expensive to create than partnership or sole proprietorship</p> <p>Paperwork can seem burdensome to some owners</p> <p>All owners must belong to the same profession</p>
Nonprofit Corporation	<p>Corporation doesn't pay income taxes</p> <p>Contributions to charitable corporation are tax-deductible</p> <p>Fringe benefits can be deducted as business expense</p>	<p>Full tax advantages available only to groups organized for charitable, scientific, educational, literary or religious purposes</p> <p>Property transferred to corporation stays there; if corporation ends, property must go to another nonprofit</p>



Type of Entity	Main Advantages	Main Drawbacks
<p>Limited Liability Company</p>	<p>Owners have limited personal liability for business debts even if they participate in management</p> <p>Profit and loss can be allocated differently than ownership interests</p> <p>IRS rules now allow LLCs to choose between being taxed as partnership or corporation</p>	<p>More expensive to create than partnership or sole proprietorship</p> <p>State laws for creating LLCs may not reflect latest federal tax changes</p>
<p>Professional Limited Liability Company</p>	<p>Same advantages as a regular limited liability company</p> <p>Gives state licensed professionals a way to enjoy those advantages</p>	<p>Same as for a regular limited liability company</p> <p>Members must all belong to the same profession</p>
<p>Limited Liability Partnership</p>	<p>Mostly of interest to partners in old line professions such as law, medicine and accounting</p> <p>Owners (partners) aren't personally liable for the malpractice of other partners</p> <p>Owners report their share of profit or loss on their personal tax returns</p>	<p>Unlike a limited liability company or a professional limited liability company, owners (partners) remain personally liable for many types of obligations owed to business creditors, lenders and landlords</p> <p>Not available in all states</p> <p>Often limited to a short list of professions</p>