

Logojoy

How to Start a Service Business: The Ultimate Guide

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Service business owners are the everyday heroes who make life run smoothly — think of the people who fix your car, cut your hair, do your taxes, walk your dog, design your website, install flooring, coach you through a major life change, photograph your wedding, and clean your eavestroughs.

Whether it's something indulgent or practical, service-based businesses are all about helping people get stuff done.

And from an entrepreneurial perspective, these types of businesses usually cost less to launch than e-commerce startups. They also make great side hustles!

Let's start with a story...

When Sarah Williams launched her home-based business last summer, she didn't do so with the bravado of an app launch or store opening. Instead, it was the realization of a dream to use her unique skills and experience to build a company all her own.

"After working as a full-time bookkeeper for a construction company for a number of years, I realized that bookkeeping was my true calling, and the only way to reach the income level I wanted was to expand and take on multiple clients at once," said Williams, who runs [Bookkeeper By Trade](#), a Boston company servicing clients in real estate and the trades.

According to [Bizfluent](#), the best industries to start your business in 2018 include day care, self-help counseling, social networking and tech consulting, online education, auto and computer repair, home-based laundry services, pet care, and solar panel installation.

Williams started slowly, focusing on how she could improve her clients' processes and educate them at the same time. With five years of direct experience in bookkeeping — and more than a decade of general finance work — her ultra-detailed approach and niche audience helped her establish the business quickly.

Inspired to start a service business? Whether you're looking to launch a side hustle or a full-time pursuit, this guide will help you:

- Determine what services you're going to sell (and what you need to sell them)
- Build a brand
- Set pricing
- Find customers
- Explore opportunities for growth

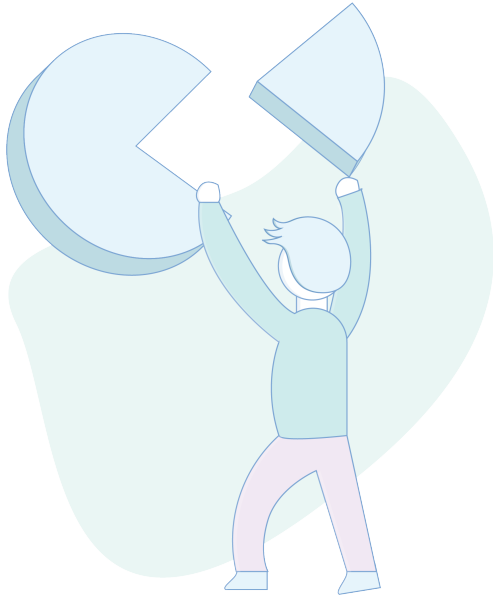
Ready? Let's dive in.

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“When I first thought of starting, I was certain there was someone else out there doing the exact same thing, but it turned out there wasn't. If you have a skill that you think could help other people improve their business or lives in general, then go out, share it and make money in the process!”

– Sarah Williams, Bookkeeper By Trade

Part 1: Determine What Services You're Going to Sell (and what you need to sell them)



If you're reading this guide, we can only assume you have some idea of what services you want to sell (or are already selling).

Maybe you work in IT for a large company and are looking to branch out on your own. Or perhaps you want to turn your photography hobby into a money-making side business. Or maybe you simply know you want to

help people in one area of their lives and you're building up a service business idea around that. Whatever your idea — and however developed it is — put some thought into what you're going to deliver and what makes you different from other service providers in your industry. What are your superpowers? How can you package and sell those skills in a way that helps others?

It's also important to note that while services are not physical products, you need to start thinking of yourself — and the results you deliver — as the product. You're selling your time and expertise to help your customers achieve a desired outcome.

Say it out loud: "I am the product!"

"I AM THE PRODUCT!"

Now...let's find your niche.

Finding your niche

Service businesses that succeed are good at defining and differentiating themselves in a world where it can be hard to get anyone's attention.

You might call your services or skills one thing, but is that the way your target customers think about them? Are you offering what they want but calling it something different? Is there a particular aspect of your business that's extra appealing to them?

In other words: Are you going to get to the right people — and enough of them — with your service?

A few ways to find your niche and get closer to "service fit" is to go through the following steps and write down your findings along the way:

- Create 2-4 buyer personas, focusing on what problems your customer needs to solve (a.k.a. what they need to get done) and what motivates them to seek help.

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“Enter an industry that you're intimately familiar with and offer products or services that you would use yourself. Be the expert of that field in your area. Your convictions are what fuel your passion, and when you're passionate about something, selling it becomes more personal and feels less like a transaction.”

– Juliana Norris, Lotus Wellness Center

- Explain how you're going to solve their problems through your services. How specifically can you help them? Why you and not somebody else?
- Research your competition. Is anyone offering something similar? (Probably yes.) Check reviews on sites like Yelp, Trustpilot, Google, and Facebook to see what your competitors are doing well — and what they're doing poorly.
- Conduct keyword research to find out what terms people are using to find your product or service. Try a free keyword tool or a website like [Answer The Public](#).
- Write a simple mission statement that boils down what you do and why: "I help **[target audience]** by offering **[these services]** so they can **[results and benefits you want to drive]**."
- Talk to friends, family, or past clients who fit your target audience and ask them questions related to their needs and your services. Would they pay for this type of service? How much? Where would they go for this type of service now?

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"I did a lot of research. I called and emailed salons, makeup artists, and hair stylists. I asked them how long they'd been in business, the kind of training they'd received and the type of work they did. I even spent hours and money sitting in their chair to get a feel for the type of stylist they were. I wanted to see their confidence, body language, EVERYTHING."

– Des Barajas, Des Ink

The goal of the above research is to develop deep empathy for your target client and what they need. This information will help you determine what you need to succeed.

What do you need to start a service business?

Every business is different, but after you've researched your idea and identified the value you deliver to customers, it's time to get a few practical items checked off your list.

- **Choose a business name.** It can be tempting to use your own name when starting a service business, but if you want to stand out, consider something more creative — a few customer names we love include Expansion Pack (recruiting services), The Lash Box (eyelash extensions), and Magic Pixies (cleaning company). Check out our guide to [coming up with a business name](#) for more ideas.
- **Check the trademark.** After you've picked a name, check if it's trademarked or being used by anyone else. Search "trademark search + your country" to find the appropriate database to use.

- **Scope out a domain.** Once you know you can claim a name, see if you can get the .com address with a handy tool like [Namechk](#). If you can't, it's time to get creative. Use your country (.ca, .uk), add a suffix to your name based on your industry (e.g. "creative," "consulting," "services") or location (e.g. "Toronto"), or use a domain with .co.

Note: You don't have to buy your domain yet — it'll depend on what website building option you choose (see Section 2).

- Register your business name and get appropriate licenses. Find out if your state or province (or country) requires you to register your business (we recommend searching "Register a business + your state/province/country name"). Then visit the official government site to see what steps you need to take. If you want to incorporate your business right away (or trademark it), you'll need to consult or hire a lawyer, or use a service like [Rocket Lawyer](#). If you're still testing your concept, you can come back to this step later.

- **Make a logo.** This is the fun part! Start with inspiration: What logos do you really like? What are some common elements of design and branding in your area of business? If you need ideas, check out our industry pages for [logo inspiration](#). And remember: Simplicity rules when it comes to making an impactful logo.
- **Open a business bank account (recommended).** While business bank accounts often charge more fees than personal accounts, having one account to track your expenses and revenue makes life easier in the long run, especially when it comes to tax time. This is also the account you can connect to a payment processor like PayPal or Stripe if you decide to accept payments online.
- **Choose a tool for tracking your finances.** Start your business on the right foot by picking a tool or system to track your finances. It's easy to let this one slip, but trust us — getting your financial processes figured out from day 1 will help you determine the health of your business as you grow. (We've included a list of resources at the end of this guide.)

Accounting, tax preparation, bookkeeping, payroll services, legal services, real estate services, and niche health services were among the most profitable service industries of 2017, according to [Sageworks](#).

Other startup costs and considerations

- **Equipment** – Are you running a photography business, snow-plowing service, or something that requires an upfront investment in professional equipment? If so, this will be one of your biggest costs.
- **Supplies** – If you're running an in-person service business, you'll likely need supplies — a professional cosmetics kit and brushes if you're a makeup artist, for example, or a toolkit and color swatches if you're offering interior design services.
- **Certification/Training** – If you're running a coaching, teaching, or real estate business — or any other type of service where proof of skills and training is important — you may have to complete a course or update your credentials.
- **Insurance** – You won't always need insurance, but if you've purchased expensive equipment, or if you could be held liable for injuries (e.g. yoga, personal training), [research what options are recommended for your industry](#).
- **Business Cards** – Depending on if you run your business online, in-person, or both, you'll need to consider business cards, brochures, and promotional cards to drop off at coffee shops, community centers, or wherever your target audience hangs out.
- **Website** – You'll need to purchase a domain, subscribe to a hosting service (or use an all-in-one website builder), and potentially pay for a premium template or hire someone to get your website launched. Read Section 2 for all the details!
- **Online Tools** – You'll likely need a few tools to run your business more smoothly, especially if you're a one-person operation. Think of scheduling tools, online phone services, accounting software, or payment processors for online transactions. For specific industries, you may also need subscriptions to software like PhotoShop or QuickBooks.
- **Office Space** – Where will you run your business? Home-based offices are a great, low-cost place to start, but you may need to rent space or consider a co-working space to meet clients and deliver your services.

- **Travel** – Do you need to travel to clients? If so, factor in the cost of a working vehicle or public transit.

How much do you need to invest?

When you've made the list of what you need to start your business, create a spreadsheet with estimated costs beside each line item so you know what your initial investment will be. Organize your finances and give yourself a deadline to check everything off the list. You've got this!

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“Having one or two friends who have business savvy to bounce ideas off of has made this solo venture feel less intimidating.”

– Meredith Young, Concise Closets

Part 2: Build a Brand



As a small operation, building a brand starts with two key pieces: a logo (see Section 1 list) and a website.

Building a website from scratch can feel like an enormous task, especially if you have limited technical know-how. But don't skip it! **A website is your digital storefront, a central place you can control and send people to.**

It's also an ideal place to show examples of your work and communicate your experience and the benefits you offer.

Your website doesn't have to be perfect, but aim to spend the time to a) make it look good, and b) communicate your value — if you do, you'll be a step ahead of the game.

(Side note: Many a service-based business will put up a business Facebook page and call it a day. There's nothing wrong with that, but having a site that you own will be a stronger asset in the long term.)

Getting started

Once you've picked your business name and found a domain that's available, you have three main options for building your website:

1. Using a content management system (CMS) like [WordPress.org](https://www.wordpress.org) is usually the cheapest DIY option. You'll have to purchase a domain and hosting service separately (these will renew monthly or annually), and

then connect them with WordPress to install a template, add content, and manage your site. We love these [in-depth instructions](#) for building a website in 90 minutes using WordPress.

2. Using an all-in-one website builder like Squarespace, Shopify, Wix (and many others) will cost more than Option 1, but you can get your hosting, security, and more in one place, paying a monthly or annual fee. You'll usually have the option of purchasing the domain name through the same service.
3. If you've checked out your DIY options and don't feel confident in building your own website, you can hire a freelancer on platforms like [Upwork](#) — this will, of course, be a more expensive option. And if you opt for outside help, learn the basics of the platform your website is built on. The more you know, the easier it'll be to make updates and optimize your site for search as your business grows.

What To Include On Your Website

When figuring out your site's structure, think about the most important information your potential customers are looking for, and make sure that information is easy to find. Don't be afraid to revise your copy several times or test it on others to get it right!

According to 2016 [United States Census Bureau](#) data, there are about 28 million businesses in the U.S., and about 80% of those are service-based.

Start with the basics. These four pages are common landmarks in the online world and can quickly orient someone visiting your site:

- **Homepage** – Put a concise description of what you do and how you help people (think mission statement!) on your homepage. You should also include at least one call to action (CTA) button or link — for example, Contact Us that leads to an email form, Book a Call or Request a Quote that connects to a calendar, or Learn More that directs the user to your services page. If you're a photographer or someone else in a creative field, you may want to include View Work and link to your portfolio.
- **Tip:** Include testimonials on your homepage if you have 'em! If you don't, aim to get a few in your first few months in business, as they'll add credibility and social proof to your site.
- **Services/Pricing page** – Outline all the services you offer and the benefits of each — remember, it's all about how you help the customer! If you offer packages, include the pricing on this page. If you offer custom or hourly pricing, you can ask visitors to contact you for pricing or a consultation. (See Section 3 for information on how to price your services).

- **About page** – Tell your story! This page can expand on your mission, explain why you started your business, and outline your expertise and credentials.
- **Contact page** – At minimum, include a form that connects to your email address. You can also include a phone number and physical address, if it's relevant. This page can be combined with your About page.

Other pages you may want to include or add later:

- **Frequently Asked Questions (FAQs)** – If you find yourself getting the same questions over and over, you can look for a way to clarify your services on your homepage or services page, or add an FAQs page to provide more detailed answers (and eliminate barriers to purchase).
- **Portfolio or Case Studies** – As you build your client base, it's a good idea to add a Portfolio or Case Studies page that clearly demonstrates your work and how you help people achieve results.
- **Privacy Policy** – If you're collecting personal data from users (in an email newsletter signup form, for example), you'll need a Privacy Policy. Go to [TermsFeed](#) for free templates; you can also find Terms & Conditions page templates if you need them.

Visual Content to Include On Your Website

- **Logo** – You'll need a logo for the header of your website, so if you don't have it finalized yet, now's the time! After the logo design is complete, apply your brand colors and fonts in other places on your website, like headings or call-to-action buttons.
- **Photos** – Include a professional headshot somewhere on your site and, if possible, other photos that demonstrate your work (e.g. cakes you've made if you're a baker, clothing you've fixed or altered if you're a tailor). Make a shot list and schedule a day for a photoshoot; you can also dig up visuals from past projects and edit them. If you don't have original photos at the time of launch, you can use a free site like [Pexels](#) to populate your site with high-quality images.
- **Graphics** – Want some icons and graphics to spruce up your site? Head to [unDraw](#) for a large collection of free illustrations.

Remember: Website visitors are task-focused and easily distracted. Your copy should answer your users' most pressing questions and prompt them to take a next step.

Other Website Considerations

Will you accept payments online? If you want customers to purchase services through your website, you'll need to add that functionality through a WordPress plugin or a feature in the website builder you're using. Check if you need to set up an account with a payment gateway like Stripe or PayPal to process payments.

Will you use online booking? Do you want to give customers a way to book appointments or time with you online versus calling or emailing you? Research appointment scheduling systems or plugins like this one to find a tool that's right for you.

According to [Inc.](#), two of the most profitable service industries of 2017 were snow plowing (with profit margins of just over 25%) and translation services (average profit margin of 26.2%).



“Just do it! For me, it started with buying my first domain name. After that, I got hung up on all the tiny details. I realized that wasn't getting me anywhere, so I began looking at starting a business as a work in progress instead of a final product. This allows me to make quick decisions because I know I can tweak things later.”

– Nicole Hatcher, Lawyer Lifestyle Management

Part 3: Set Pricing



Ahh, pricing. The tricky business of putting a profit-making dollar value on your services and hitting the range of what people are willing to pay for what you're offering.

You can set pricing at an hourly rate, as flat-rate packages, or a combination of the two. The strategy you choose will depend on what kind of services you offer and how you want to structure your time. Here's a rundown:

- **Strategy #1: Hourly Rate Pricing** – The simplest way to charge is by the hour — and it's a way most people easily understand. If how much time you spend providing your service is important to customers, then an hourly rate makes sense. Tutors, dog walkers, music teachers, and babysitters are good examples of this.
- **Strategy #2: Package Service Pricing** – When you offer package services, you charge a flat fee for a task or combination of services. For example, a freelance writer can do keyword research, write an 800-word blog post, offer two rounds of creative revisions, and upload the piece to WordPress for \$450. Packaged services give you an opportunity to offer more value to your clients, without necessarily offering more of your time.
- **Strategy #3: Combination Pricing** – Combination pricing is when you offer your services at an hourly rate as part of a package — a.k.a. when you know your clients want a certain amount of one-on-one time with you, whether that's in-person or via phone or video chat. It works well for services like coaching or designing.

3 questions to ask when setting pricing

- 1. What's the competition doing?** – Whatever strategy you choose, one of the best ways to research and decide on pricing is to compare your services to competitors or others offering similar services (look at your initial competitive research). Can you come up with a more premium service or package? How does your experience line up with these providers? What does their quality of work look like compared to yours?
- 2. What is my time worth?** – Running a business, either full-time or on the side, takes a lot of energy and hard work. Don't make the mistake of undervaluing your time by undercharging for your services. Calculate the cost of providing your service, then add in your desired profits. Don't forget to factor in all your costs from Section 1, including things like software, office space, supplies, and insurance. And don't forget all your earnings are before taxes!
- 3. How can I show value?** Once you've decided on pricing, remember: The most important thing you can do to encourage clients to pay the rate you want is to show your value. When you set up your website or market your services, look for opportunities to stand out from your competitors. Over time, you'll get better at determining the labor involved in your work and the value you offer, and adjust your rates accordingly.

According to [LinkedIn](#), the number of people freelancing on the side of their day jobs is growing more than three times faster than the number of full-time freelancers and over six times faster than non-freelancers entering the professional workforce.



“Start small and think big. Leverage all of your knowledge and experience as much as you can. Never stop learning and, most importantly, always turn what you've learned into meaningful, effective action.”

– Francesco Onorato, Zelig Public Relations

Part 4: Find Customers



After you've built a website and set pricing, you're at the exciting point where you can find your first customers and grow your service business!

Here's how to get started for free:

- **Spread the word:** Send a personal invitation to friends and family to let them know about your business and offer them a discount — or a free consultation — as a way to build your experience and spark word-of-mouth growth. If you have industry contacts from previous jobs or networking events, reach out to those people, too!
- **Browse Craigslist or other online classified ads:** Sarah Williams, the bookkeeper we mentioned about earlier in this guide, found her first clients by browsing Craigslist ads. She pointed out that many people think they need to hire an employee for bookkeeping when they can hire an independent contractor for less. If this is the case for your business — think services like social media management, videography, and event planning — online ads could be a great place to find people to contact.
- **Get listed on local directories:** If you deliver services locally and in-person, add your listing on directories like [Facebook Pages](#) and [Apple Maps](#), ensuring you include an accurate business name, address, and phone number. You're likely to appear on local searches in a short time.
- **Start blogging:** While blogging takes work and doesn't typically deliver instant results, developing educational content related to your industry positions you as an expert, builds trust, and gives you a constant supply of helpful information to share. Start by answering common questions you get from customers about your services — [They Ask You Answer by Marcus Sheridan](#) is an in-depth book on how to do this.

- **Use social media:** After launching your website, open accounts on 1-3 social media platforms and include the link to your website in your profile. Check out our article on [how to promote your website on social media](#) for more tips on getting started and sharing relevant content.
- **Create profiles on industry-specific sites:** Another amazing power of the Internet? You can post your services (or apply for jobs) on industry-specific websites — for example, a site like [Handy](#) if you're a home service provider, or [Wyzant](#) if you're a tutor. Get more ideas in this list of places to [sell services online](#).

Don't try these customer acquisition tactics all at once or you'll get overwhelmed! Pick 2-3 that make the most sense for your business, direct your focus there for a set period of time (we recommend a month), and see what kind of traction you get.

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“My first client was a close friend of mine. I believe that is where everyone should start because there will be mistakes and lessons learned with every project and having them happen with a close friend can soften the hardship of learning.”

– Maria Bowers, BDesign'D

Part 5: Explore Opportunities for Growth



You've done it! You've started your service-based business, found your first customers, and are GETTING PAID.

What's next? Evaluate what's working, particularly in terms of how you get customers, manage your time, and make money.

When you're ready to reinvest and scale your service business, here are a few ideas:

- **Try targeted ads on Facebook or try Google AdWords.** Yes, you'll need to do research first and set a strict budget of what you're willing to try. But this can be an excellent strategy for getting your services in front of the right people.
- **Pursue partnerships.** Find complementary businesses you could partner with for client referrals. Think of real estate agents who partner with mortgage brokers, content creators with web designers, photographers with wedding planners, and so on.
- **Consider add-on services or promotions.** Is there anything extra your customers are asking for that you could offer or test? Going back to packaged services, think about the added value your customers would gladly pay more for.
- **Outsource tasks.** With only so much time in the day, you want to be spending your time on the to-do list items that matter most. Consider outsourcing tasks like bookkeeping or content writing that will free you up to deliver your services more effectively (and help more people).

- **Create a “knowledge asset.”** Write an ebook or guide — something tangible that demonstrates your expertise and knowledge that you can offer for free to get leads, or charge for to make extra income. You can also eventually consider offering online courses on platforms like [Udemy](#) to earn passive income.

And there you have it! If you’ve been thinking about starting a service-based business, there’s no time like the present.

Do your research, plan carefully, and start building a business that makes awesome use of your skills — and more importantly, helps people!

And don’t forget to learn as you grow — the faster you’re able to adapt and find opportunities, the better off you’ll be.

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“If you work hard and help your clients, they will get you the best referrals. It’s also about putting in the time to work with really nice people. Good people surround themselves with good people.”

– Deborah Beck, Haight Fitness

Tools & Resources for Starting a Service-Based Business

Website Builders

[Squarespace](#)

[Wix](#)

[Wordpress](#)

[Shopify](#)

Hosting Services (if using WordPress)

[Bluehost](#)

[Inmotion](#)

[HostGator](#)

Online Communication Tools

[Grasshopper](#)

[Skype](#)

[Zoom](#)

Scheduling + Productivity

[Calendly](#)

[SimplyBook](#)

[LogMeIn](#) (remote desktop access)

[Toggl](#)

Accounting + Document Storage

[QuickBooks Online](#)

[Wave Accounting](#)

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Social Media Management

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[Edgar](#)

Logos + Branding

[Logojoy](#)

