

How to Name Your Business

What's in a business name? Plenty. Not only must your name reflect your brand and be memorable, there are also a host of legal issues to consider. Here's how to choose a name that'll best suit your business.

What's in a name? A lot, when it comes to small-business success. The right name can make your company the talk of the town; the wrong one can doom it to obscurity and failure. If you're smart, you'll put just as much effort into naming your business as you did into coming up with your idea, writing your business plan and selecting a market and location. Ideally, your name should convey the expertise, value and uniqueness of the product or service you've developed.

There's a lot of controversy over what makes a good business name. Some experts believe that the best names are abstract, a blank slate upon which to create an image. Others think that names should be informative, so customers know immediately what your business is. Some believe that coined names (names that come from made-up words) are more memorable than names that use real words. Others think most coined names are eminently forgettable. In reality, any type of name can be effective if it's backed by the appropriate marketing strategy.

Do It Yourself?

Given all the considerations that go into a good company name, shouldn't you consult an expert, especially if you're in a field in which your company name will be visible and may influence the success of your business? And isn't it easier to enlist the help of a naming professional?

Yes. Just as an accountant will do a better job with your [taxes](#) and an ad agency will do a better job with your ad campaign, a naming firm will be more adept at naming your firm than you will. Naming firms have elaborate systems for creating new names, and they know their way around the trademark laws. They have the expertise to advise you against bad name choices and explain why others are good. A name consultant will take this perplexing task off your hands--and do a fabulous job for you in the process.

The downside is cost. A professional naming firm may charge anywhere from a few thousand dollars to \$35,000 or more to develop a name. The benefit, however, is that spending this [money](#) now can save you money in the end. Professional namers may be able to find a better name--one that is so recognizable and memorable, it will cut down your costs in the long run. They have the expertise to help you avoid legal hassles with trademarks and registration--problems that can cost you plenty if you end up choosing a name that already belongs to someone else. And they are familiar with design elements, such as how a potential name might work on a sign or stationery.

If you can spare the money from your startup budget, professional help could be a solid investment. After all, the name you choose now will affect your marketing plans for the duration of your business. If you're like most [small-business owners](#), though, the responsibility for thinking up a name will be all your own. The good news: By following the same basic steps professional namers use, you can come up with a meaningful moniker that works . . . without breaking the bank.

What Does It Mean?

Start by deciding what you want your name to communicate. To be most effective, your company name should reinforce the key elements of your business.

Gerald Lewis, whose consulting firm, CDI Designs, specializes in helping retail food businesses, uses retail as an example. "In retailing," Lewis explains, "the market is so segmented that [a name must] convey very quickly what the customer is going after. For example, if it's a warehouse store, it has to convey that impression. If it's an upscale store selling high-quality foods, it has to convey that impression. The name combined with the logo is very important in doing that." So the first and most important step in choosing a name is deciding what your business is.

Should your name be meaningful? Most experts say yes. The more your name communicates to consumers, the less effort you must exert to explain it. Alan Siegel, chairman and CEO of Siegel & Gale, an international communications firm, believes name developers should give priority to real words or combinations of words over fabricated words. He explains that people prefer words they can relate to and understand. That's why professional namers universally condemn strings of numbers or initials as a bad choice. On the other hand, it is possible for a name to be too meaningful. Naming consultant S.B. Master cautions business owners need to beware of names that are too narrowly defined. Common pitfalls are geographic names or generic names. Take the name "San Pablo Disk Drives" as a hypothetical example. What if the company wants to expand beyond the city of San Pablo, California? What meaning will that name have for consumers in Chicago or Pittsburgh? And what if the company diversifies beyond disk drives into software or computer instruction manuals?

Specific names make sense if you intend to stay in a narrow niche forever. If you have any ambitions of growing or expanding, however, you should find a name that is broad enough to accommodate your growth. How can a name be both meaningful and broad? Master makes a distinction between descriptive names (like San Pablo Disk Drives) and suggestive names. Descriptive names tell something concrete about a business--what it does, where it's located and so on. Suggestive names are more abstract. They focus on what the business is about. Would you like to convey quality? Convenience? Novelty? These are the kinds of qualities that a suggestive name can express.

For example, Master came up with the name "Italiatour" to help promote package tours to Italy. Though it's not a real word, the name "Italiatour" is meaningful. Right away, you recognize what's being offered. But even better, the name "Italiatour" evokes the excitement of foreign travel. "It would have been a very different name if we had called it 'Italytour,'" says Master. "But we took a foreign word, 'Italia,' but one that was very familiar and emotional and exciting to English speakers, and combined it with the English word 'tour.' It's easy to say, it's unique, it's unintimidating, but it still has an Italian flavor."

Before you start thinking up names for your new business, try to define the qualities that you want your business to be identified with. If you're starting a hearth-baked bread shop, for example, you might want a name that conveys freshness, warmth, and a homespun atmosphere. Immediately, you can see that names like "Kathy's Bread Shop" or "Arlington Breads" would communicate none of these qualities. But consider the name "Open Hearth Breads." The bread sounds homemade, hot, and just out of the oven. Moreover, if you diversified your product line, you could alter the name to "Open Hearth Bakery." This change would enable you to hold onto your suggestive name without totally mystifying your established clientele

Brainstorming Business Names

Begin brainstorming business names, looking in dictionaries, books and magazines to generate ideas. Get friends and relatives to help if you like; the more minds, the merrier. Think of as many workable names as you can during this creative phase. Professional [naming firms](#) start out with a raw base of 800 to 1,000 names and work from there. You probably don't have time to think of that many, but try to come up with at least 10 names that you feel good about. By the time you examine them from all angles, you'll eliminate at least half.

The trials you put your names through will vary depending on your concerns. Some considerations are fairly universal. For instance, your name should be easy to pronounce, especially if you plan to rely heavily on print ads or signs. If people can't pronounce your name, they will avoid saying it. It's that simple. And nothing could be more counterproductive to a young company than to strangle its potential for word-of-mouth advertising.

Other considerations depend on more individual factors. For instance, if you're thinking about marketing your business globally or if you're located in a multilingual area, you should make sure that your new name has no negative connotations in other languages. On another note, Master points out, if your primary means of advertising will be in the telephone directory, you might favor names that are closer to the beginning of the alphabet. Finally, make sure that your name is in no way embarrassing. Put on the mind of a child and tinker with the letters a little. If none of your doodlings make you snicker, it's probably OK. Chuck Brymer, president of naming firm Interbrand U.S.A., advises name seekers to take a close look at their competition. "The major function of a name is to distinguish your business from others," Brymer observes. "You have to weigh who's out there already, what type of branding approaches they have taken, and how you can use a name to separate yourself."

Making Up a Name

At a time when almost every existing word in the language has been trademarked, the option of coining a name is becoming more popular. Perhaps the best coined names come from professional naming firms. Some examples are Acura, a division of Honda Motor Co. coined by NameLab, and Flixx, a name CDI coined for a chain of video rental stores.

Since the beginnings of NameLab, founder [Ira](#) Bachrach has been a particular champion of the coined name. He believes that properly formulated coined names can be even more meaningful than existing words. Take, for example, the name "Acura." Although it has no dictionary definition, it actually suggests precision engineering, just as the company intended. How can that be? Bachrach and his staff created the name "Acura" from "acu," a word segment that means "precise" in many languages. By working with meaningful word segments (what linguists call *morphemes*) like "acu," Bachrach claims to produce new words that are both meaningful and unique.

"One of the reasons a [new company](#) is formed is that it has new value; it has a new idea," Bachrach contends. "If you adopt a conventional word, it's hard to express the newness of your idea. But as long as it's comprehensible, a new word will express that newness." Bachrach also admits, however, that new words aren't always the best solution. A new word is complex and implies that the service or product you're offering is complex, which may not be what you want to say. Plus, naming beginners might find this type of coining beyond their capabilities.

An easier solution is to use new spellings of existing words. For instance, CDI's creation: "Flixx." "Flixx" draws upon the slang term "flicks," meaning movies. But the unusual spelling makes it interesting, while the double "X" at the end makes it visually appealing. Just as important, "Flixx" is more likely to be available for trademarking than "Flicks," a factor that's especially important to a chain operation interested in national expansion.

The Truth About Trademarking

After you've narrowed the field to, say, four or five business names that are memorable, expressive and can be read by the average kindergartner, you are ready to do a trademark search.

Must every name be trademarked? No. Many [small businesses](#) don't register their business names. As long as your state government gives you the go-ahead, you may operate under an unregistered business name for as long as you like--assuming, of course, that you aren't infringing on anyone else's trade name.

But what if you are? Imagine either of these two scenarios: You are a brand-new manufacturing business just about to ship your first orders. An obscure company in Ogunquit, Maine, considers your name an infringement on their trademark and engages you in a legal battle that bankrupts your company. Or, envision your business in five years. It's a thriving, growing concern, and you are contemplating expansion. But just as you are about to launch your franchising program, you learn that a small competitor in Modesto, California, has the same name, rendering your name unusable.

To illustrate the risk you run of trading on an existing trademark with your new name, consider this: When NameLab took on the task of renaming a chain of auto parts stores, they uncovered no fewer than 87,000 names already in existence for stores of this kind.

That's why even the smallest businesses should at least consider having their business names screened. You never know where your corner store is going to lead. If running a corner store is all a person is going to do, then, he doesn't need to do a trademark search. But that local business may become a big business someday if that person has any ambition.

Ensuring that your name is going to be federally registerable is important. Also make sure that the individual states that you want to do business in will let you do business under that name. Enlisting the help of a trademark attorney or at least a trademark search firm before you decide on a name is highly advisable. The extra [money](#) you spend now could save you countless hassles and expenses further down the road. Try to contain your excitement about any one name until it has cleared the trademark search. It can be very demoralizing to lose a name you've been fantasizing about.

Trademark Classes

There are many misconceptions about trademarks and service marks and the level of protection provided for them under the law. One of the first misconceptions is that a trademark is all-encompassing. In fact, trademarks and service marks are filed under a specific class or classes. (For a complete list of eligible classes, visit the "International Schedule of Classes of Goods and Services" at the USPTO website.) There are 45 classes to choose from when filing for a trademark or service mark. Companies can file under one class or multiple classes depending on the nature of their product or service.

For instance, if a company has a registered trademark under class 15, musical instruments, another company using that same name in the pursuit of doing business in the category of musical instruments would potentially cause confusion in the marketplace and infringe upon a registered trademark. However, if a company does business within a different class, say class 1, chemicals, the potential for confusion would be extremely unlikely.

Conducting Your Own Trademark Search

If you're going to search on your own, the Patent and Trademark Depository Libraries (PTDL) nationwide have directories of federally registered trademarks and an online [database](#) of registered marks and pending registration applications. You can also use product guides and other materials available in these libraries to search for conflicting marks that haven't yet been registered. The U.S. Patent and Trademark Office's (PTO) [website](#) lists PTDLs in your state.

The site also has a free database of pending and registered trademarks; these are usually entered in the PTO database one to two months after filing. You can also contact the PTO at (800) 786-9199 for general information about trademark registration or to ask about the status of specific trademark applications and registrations.

It's also a good idea to search the web and see if anyone is using the name without having registered it. Do this with more than one search engine for the most thorough results. Also, check with domain name registrars like [Network Solutions](#) to see what's available. This can help you find other businesses using your chosen name or similar names, and it can also help you narrow down your choices. If you can't have your top choice of a business name as a .com domain, you might want to consider alternative spellings, choices or top-level domains (i.e., ".net" or ".us").

Final Analysis

If you're lucky, you'll end up with three to five business names that pass all your tests. How do you make your final decision?

Recall all your initial criteria. Which name best fits your objectives? Which name most accurately describes the company you have in mind? Which name do you like the best?

Each company arrives at a final decision in its own way. Some entrepreneurs go with their gut or use personal reasons for choosing one name over another. Others are more scientific. Some companies do consumer research or testing with focus groups to see how the names are perceived. Others might decide that their name is going to be most important seen on the back of a truck, so they have a graphic designer turn the various names into logos to see which works best as a design element.

Use any or all of these criteria. You can do it informally: Ask other people's opinions. Doodle an idea of what each name will look like on a sign or on your business stationery. Read each name aloud, paying special attention to the way it sounds if you foresee radio advertising or telemarketing in your future. Professional naming firms devote anywhere from six weeks to six months to the naming process. You probably won't have that much time, but plan to spend at least a few weeks on selecting a name. Once your decision is made, start building your enthusiasm for the new name immediately. Your name is your first step toward building a strong company [identity](#), one that should last you as long as you're in business.

Filing a DBA

Now that you've decided upon a name, do you need to file a [DBA](#)? If you're structuring your company as a sole proprietorship or a partnership, a dba ("doing business as") or fictitious business name allows you to legally do business under your new business name (rather than your own name). You may be required by the county, city or state to register your fictitious name.

Procedures for doing this vary among states. In many states, all you have to do is go to the county offices and pay a registration fee to the county clerk. In other states, you also have to place a fictitious name notice in a local newspaper for a certain amount of time. The cost of filing a fictitious name notice ranges from \$10 to \$100. Your local bank may also require a fictitious name certificate to open a [business account](#) for you; if that's the case, they can tell you where to go to register. In most cases, the newspaper that prints your fictitious name ad will also file the necessary papers with the county.

In most states, corporations don't have to file fictitious business names unless the corporations do business under names other than their own. For example, using dbas allows your corporation to run several businesses without creating separate legal entities for each one. But if you've just got one business that's a corporation, incorporation documents have the same effect as fictitious name filings do for sole proprietorships and partnerships.

This article is excerpted from [Start Your Own Business: The Only Start-Up Book You'll Ever Need](#) by Rieva Lesonsky and the Staff of Entrepreneur magazine, Business Startups magazine and Entrepreneur.com.

8 Mistakes to Avoid When Naming Your Business

When choosing a name for your new company, keep these tips in mind to help you find one that will work now--and in the future.

Naming a business is a lot like laying the cornerstone of a building. Once it's in place, the entire foundation and structure is aligned to that original stone. If it's off, even just a bit, the rest of the building is off, and the misalignment becomes amplified. So if you have that gnawing sense that choosing a name for your new business is vitally important, you're right. With 18 years experience in the naming and branding business, I've witnessed the good, the bad and the really bad. To help you get off to a good start, read on to discover the top 8 mistakes I've found people make when it comes to choosing a name for their business:

Mistake #1: Getting the "committee" involved in your decision. We live in a democratic society, and it seems like the right thing to do--to involve everyone (your friends, family, employees and clients) in an important decision. This approach, however, presents a few problems. The first and most obvious fact is that you'll end up choosing only one name, so you risk alienating the very people you're trying to involve. Second, you often end up with a consensus decision, which results in a very safe, very vanilla name. A better method is to involve only the key decision-makers--the fewer the better--and select only the people you feel have the company's best interests at heart. The need for personal recognition can skew results, so you'll be best served by those who can park their egos at the door. Also make sure you have some right-brain types in the mix. Get too many left brains on board, and your name will most likely end up too literal and descriptive.

Mistake #2: Employing the "train wreck" method of creating a name. When forced to come up with a catchy name, many aspiring entrepreneurs simply take part of an adjective and weld it onto a noun, essentially colliding the two words head on to create a new word. The results are names that have a certain twisted rationale to them, but look and sound awful. Someone starting a high-end, [service](#) franchise becomes QualiServe. Someone starting a classy day spa becomes TranquiSpa. It's a bit like mixing chocolate syrup with ketchup--there's nothing wrong with either ingredient, but they just don't go together. Other common truncations include Ameri, Tech, Corp and Tron. The problem with this approach is that it's simply forced--and it sounds that way.

Mistake #3: Using words so plain they'll never stand out in a crowd. The first company in a category can get away with this one. Hence you have General Motors, General Electric and so on. But once you have competition, it requires differentiation. Imagine if Yahoo! had come out as GeneralInternetDirectory.com? The name would be much more descriptive but hardly memorable. And with the onslaught of new media and advertising channels, it's more important than ever to carve out your niche by displaying your uniqueness. Nothing does that better than a well conceived name.

Mistake #4: Taking the atlas approach and using a map to name your company. In the zeal to start a [new company](#), many businesses choose to use their city, state or region as part of their company name. While this may actually help in the beginning, it often becomes a hindrance as a company grows. One client came to me with complaints that he was serving more of the market than his name implied. He had aptly called his business St. Pete Plumbing since he hailed from St. Petersburg, Florida. But Yellow Page shoppers assumed that was also his entire service area. With a little creative tinkering, we changed the image of St. Pete from a city to St. Peter himself, complete with wings and a plumber's wrench. The new tagline? "We work miracles!"

Many other companies have struggled with the same issue. Minnesota Manufacturing and Mining was growing beyond their industry and their state. To avoid limiting their growth, they became 3M, a company now known for innovation. Kentucky Fried Chicken is now KFC, de-emphasizing the regional nature of the

original name. Both of these companies made strategic moves to avoid stifling their growth. Learn from them, and you can avoid this potential bottleneck from the beginning.

Mistake #5: Turning your name into a cliché. Once past the literal, descriptive word choices, your thought process will most likely turn to metaphors. These can be great if they're not overly used to the point of being trite. For example, since many companies think of themselves as the top in their industry, the world is full of names like Summit, Apex, Pinnacle, Peak and so on. While there's nothing inherently wrong with these names, they're overworked. Instead, look for combinations of positive words and metaphors, and you'll be much better served. A good example is the data storage company Iron Mountain, a name that conveys strength and [security](#) without sounding commonplace.

Mistake #6: Making your business name so obscure, customers will never know what it means. It's great for a name to have a special meaning or significance--it's sets up a story that can be used to tell the company message. But if the reference is too obscure or too hard to spell and pronounce, you may never have the opportunity to speak to that customer because they'll simply pass you by as irrelevant.

So resist the urge to name your company after the mythical Greek god of fast service or the Latin phrase for "We're number one!" If a name has a natural, intuitive sound and a special meaning, it can work. If it's too complex and puzzling, it will remain a mystery to your customers. This is especially true if you're reaching out to a mass audience.

I pushed the envelope a little on this one myself, naming my branding firm Tungsten after the metal that Thomas Edison used to create light. But because my clients consist of knowledgeable professionals who appreciate a good metaphor and expect a branding firm to have a story behind its name, I knew it would work. It's also a way to differentiate my services--illuminated, bright, and brilliant. But while something different might work for a branding firm, it wouldn't work as well for more common businesses, like an ice cream parlor or an auto body shop.

Mistake #7: Taking the Campbell's soup approach to selecting a name. Driven by the need for a matching domain name, many companies have resorted to awkwardly constructed or purposefully misspelled names. The results are company names that sound more like prescription drugs than real life businesses. Mistake #2 sometimes gets combined with this one and results in a name like KwaliTronix. It's amazing how good some names begin to sound after searching for available domain names all night. But resist the urge. Avoid using a "K" in place of a "Q" or a "Ph" in place of an "F". This makes spelling the name--and locating you on the internet--all that much harder.

And it's not that coined or invented names can't work--they often do. Take, for example, Xerox or Kodak. But keep it mind that names like these have no intrinsic or linguistic meaning, so they rely heavily on advertising to convey their meaning--and that gets expensive. Many of the companies that successfully use this approach were either first in their category or have large marketing budgets. Verizon, for instance, spent millions on their rebranding effort. So did Accenture. So check your pocketbook before you check into these types of names.

Mistake #8: Choosing the wrong name and then refusing to change it. Many business owners know they have a problem with their name and just hope it will somehow magically resolve itself. The original company name of one of my clients, for instance, was "Portables", which reminded some people of porta-potties or portable classrooms--neither was accurate nor something the business owner wanted to be associated with. This added to the confusion when sales reps tried to explain their new concept of moving and storage. After some careful tweaking, we came up with the name PODS, an acronym for Portable On Demand Storage. The rest is quickly becoming history as they expand both nationally and internationally.

Mike Harper of Huntington Beach, California, bought a 30-year old janitorial and building maintenance company named Regency. We both agreed it sounded more like a downtown movie theatre than a progressive facilities management firm. After a thorough naming search, we developed the name Spruce

Facilities Management. Spruce not only conveyed the environmentally friendly image of a spruce tree, something important to the client, it also meant "to clean up." The new tagline fell right in place: Spruce... "The Everclean Company."

It's only a matter of time before Southwest Airlines, Burlington Coat Factory and others who have successfully outgrown their original markets begin to question their positioning. Much like 3M and KFC, they may need to make a change to keep pace with their growth and image.

In the fever to start your new business or expand a current one, take time to think through some of these issues. By tapping into your creativity and avoiding these potential pitfalls, you'll be able to create a name that works for both the short and long term. Like the original cornerstone of a building, it will support upward expansion as your company reaches new heights.

Phil Davis founded and ran a full-service ad agency for over 17 years before launching his business naming and branding consulting company in Asheville, North Carolina. His work can be viewed at <http://PureTungsten.com>.

choosing the Best Name for Your Business

Understand the elements of a great name before you commit to one.

Q: I have been in the [income tax](#) business for 18 years, and this year I have just stepped out on my own. Now I need a name for my tax service business. Can you give me any ideas?

A: Choosing the right name for your business is a daunting task for many new entrepreneurs because there is so much at stake. Does your name stand out to prospects and customers? Or does your business get lost in the crowd? Does your name communicate the right message? Or does it inadvertently keep prospects from calling you?

To simplify the process of generating a name for your new venture, begin with a brainstorming session, asking yourself the following questions. This exercise will help you get ideas on paper so you have something to work with.

- Who exactly are my [target customers](#)?
- What problems do I help solve for them?
- What words or phrases appeal to them?
- What are the three to five most attractive benefits my business brings to customers?
- Are there word pictures or metaphors that communicate what I do that would be relevant to my customers?
- What names do my competitors go by? What kind of name would differentiate me in the marketplace?

Your answers to these questions serve as "raw [data](#)" from which you begin to formulate a list of five to 10 possible names.

Evaluating Your Names

Once you've generated your list, how do you narrow it down to the names that possess the most potential? Ask yourself these questions:

- **Does the name appeal to my target customers?** Get feedback from customers or potential customers. What names appeal to them the most?
- **Does the name give me room to expand, or is it limiting?** For example, the name "Press Release Services" would be confusing to prospects if the owner were looking to expand services to include Web site copywriting, bylined articles or any form of writing beyond press releases. The assumption is that this company only does press releases.
- **Does the name distinguish me in the marketplace?** An example here is a high-tech attorney firm in Atlanta. Most attorney firms are named according to their partners' last names, such as "Brock & Clay." But when Evelyn Ashley launched her law firm, she came up with something very different. She named her firm "The Red Hot Law Group of Ashley." This name has become a highly recognizable brand throughout the Southeast and has helped generate dozens of PR opportunities.
- **Is the name "too cute"?** You want to avoid using cute puns or phrases in your name, which may be confusing to customers if they don't understand what you mean. This is especially important to avoid if you want to project a highly professional image.
- **Is the name simple to spell?** If it's not, people will be much less inclined to send you referrals or log on to your Web site. Make things as easy as possible for your customers, prospects and referral sources.
- **Does the name elicit pride and enthusiasm within me?** Choose a name that makes you beam with excitement when you talk about your business. Prospects will notice your enthusiasm and want to do business with you.

Making Sure It's Available

After you've shortened your list to one or two "winners," how do you find out whether the name is available? One of the first places to start is the [US Patent and Trademark Office](#). To check out available Web site domain names, log on to www.networksolutions.com or www.icann.org.

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