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Find Accounting Help You Can Count On

There are many responsibilities that come with being a small business owner, and everyone is critical to maintaining profitability and promoting growth. You can't risk letting a deadline slip or overlook an administrative requirement, yet there are only so many hours in the day to get things done.

To ensure you stay focused on the most important things, it may be a good idea to transfer some routine chores. Even though accounting software programs have simplified the process of routine bookkeeping and tax preparation, someone well-versed in this area can spot trends or problems you might miss. And the more complex your needs—preparing financial reports, invoicing, payroll, etc.—the more time-consuming accounting becomes.

If you decide you need the skills of an accounting professional, the American Institute of Certified Public Accountants (AICPA) can help. The “For the Public” section of their website, www.aicpa.org, offers guidance in selecting the right CPA for your small business, including a searchable director of AICPA member firms.

Fees vary greatly among accountants, depending on location, expertise, and services provided. Some firms will provide bundled services for a flat monthly fee, but may charge less for bookkeeping and other tasks that don't require CPA-level training. If you are considering a larger accounting firm, make sure you meet and get to know the people with whom you will be working. As with any business relationship, a “comfort level” of trust, confidence, and communication with an accountant is a must.

Not sure you need a CPA? Then a professional bookkeeper may be just the resource you need. The free online “Bookkeepers Hiring Test” from the American Institute of Professional Bookkeepers (www.aipb.org) can help you assess candidates' qualifications.

Another option is an Enrolled Agent (EA), a professional licensed by the Federal government to prepare tax returns. Unlike CPAs, EAs must demonstrate their competence in all areas of taxation, representation and ethics before they are given unlimited representation rights before IRS. More information and assistance in finding an EA is available from the National Association of Enrolled Agents (www.naea.org).

Further advice on financial issues for your small business is available from SCORE “Mentors to America's Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

PEOs Can Be Your Go-To Staffing Solution

Good help is hard to find and keep. It can be even harder when you consider the administrative burdens of hiring, managing, and paying employees. That's why many small business owners have turned to professional employer organizations (PEOs) for their staffing needs.

Don't confuse PEOs with temp agencies. PEOs provide human resource services to their small business clients—paying wages and taxes, and assuming responsibility and liability for compliance with state and federal laws and regulations.

In addition, PEOs often provide workers with access to 401(k) plans; health, dental, and life insurance; dependent care; and other benefits often out of reach of many small businesses. According to the National Association of Professional Employer Associations, between 2 and 3 million people in the U.S. are covered by a PEO arrangement.

A PEO can also handle screening resumes and interviewing candidates, and, when appropriate, conducting pre-employment testing to predict loyalty to your firm and success on a specific job. Some PEOs have entire divisions devoted to recruiting and helping small business owners gather information to make the right hiring decisions.

With the PEO handling all the up-front work, you can choose “the best of the best” with confidence. The PEO can then handle the paperwork for the new hire.

To find and evaluate a PEO to suit your needs, consider www.peo.com. This site offers a searchable director of PEO firms, plus the ability to consult with hiring experts via email. This assistance is particularly helpful if your small business has unique needs, or if you anticipate changes to your operations in the near future.

Another resource is PEOcompare.com. In addition to a free buyers guide, this site provides a wealth of information on how PEOs work human resources management, general employment trends, and other related small business issues.

To learn more about HR issues facing your small business, contact SCORE “Mentors to America's Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Don't Be Surprised by Change; Plan for It

Though days still have 24 hours, and years are guaranteed to have no fewer than 12 months, it does sometimes seem as if the world is turning faster and faster. Patterns, trends, and technologies that seemed rock-solid last year can spike in a different direction at a moment's notice.

With the right approach to planning, small businesses can thrive amid this hectic environment. Indeed, it's critical to constantly look ahead and seek out ways to keep pace and, often, anticipate what's on the horizon. Learning how to anticipate these trends can help keep you current on everything from sales strategies and customer desires to technology tools and the general economy. And the more you test the winds of change, the better your chances of success down the road.

Staying on top of trends means staying connected. Though it's easy to be overwhelmed with information today, you can filter out the clutter using customizable tools such as Google Alerts, which monitors the Web for new content about developing news stories, industry activity, and local events you're interested in.

Groups such as your local chamber of commerce or professional/trade organization frequently update members and the public on key trends and issues affecting regions and/or industries. They also sponsor conferences, seminars, and expert speakers who offer the latest information and insights. And because these events are also great forums for networking, you can exchange observations with colleagues who are tracking other business metrics.

At the same time, don't make a snap decision just because you overhear someone talking about. Flexibility is critical in today's business environment, but so too is careful risk management. Investing time in research about a particular trend or opportunity will pay off with a more informed, more confident course of action.

Though entrepreneurs should always be prepared to embrace new ideas or approaches, there's still a lot to be said for sticking with the basics. Herm Rowland, who has guided his family-owned Jelly Belly Candy Company through several decades of shifting trends, says he's always worked by three guiding principles:

- Always maintain quality in products and business practices.
- Tell the truth; be honest.
- Make sure that what you are doing feels right in your gut.

For additional planning help for your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business

owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Take the Time to Plan for Taking Time Off

Among the many incentives for starting a small business is the ability to gain more freedom over your life. When and how long you work are your decisions, not someone else's. And your reward is more than a paycheck; it's the opportunity to watch something special grow and thrive.

But for many small business owners, this "freedom" soon evolves from routine to rut that's not easy to escape. A sense of responsibility is inherent in being the boss. But some people are afraid to take even a short vacation from their firms. They fear that something will go wrong or they'll miss out on that next big opportunity.

According to the American Express OPEN Vacation Monitor, less than half of 500 small business owners surveyed planned to take any kind of summer vacation in 2011. That's down from 65 percent in 2006. And since 79 percent of employees carried a computer or other work-related device with them on vacation, it's a good bet bosses like you did as well.

Dedication to your small business is important, but so too is settling limits on how far it governs your life. Entrepreneurs are at their best when they're well-rested, focused, physically healthy, and can step out of that leadership role for a while to just be themselves. And it's not all that hard to do.

For example, taking your own "mental health" day will go a long way toward recharging your internal batteries. And because you're the boss, you don't have to make up any excuses.

If you want to get away for an extended period, brief those in charge on the possibilities and chief concerns of each customer. Tell key clients or customers in advance of any extended time away you are planning. Introduce your stand-ins and express your confidence in their ability to handle any issues that may arise. You should be looking to delegate tasks to others at your business anyway, so that you can cultivate a cadre of leaders to support your small business as it grows.

And don't think of "time off" solely in terms of multi-day vacations. Designate certain hours or days as "your time" and prohibit yourself from checking email, browsing your business websites, or answering the phone. Also build exercise into your daily routine, even if it's just a walk around the block at lunchtime. And eat right; a balanced diet with do wonders for your alertness. And healthy meals really do taste good.

For more small business management ideas, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

How Well is Your Website Working for You?

Blogs, Tweets, and other types of social media may be the hottest tools for reaching customers today, but the Website remains the centerpiece of every small business's online marketing strategy.

Not only do many of today's customers expect businesses to have Websites, they have certain expectations about what those sites provide. The sites have to be well-designed, informative, easy to navigate and highly functional. The Website should also convey a sense of trust and reliability about the business, providing visitors with a positive impression that you're someone they want to do business with. Otherwise, they'll simply surf over to someplace else.

One of the most common errors small businesses make with their Websites is neglecting them. Outdated or incomplete information may leave some visitors wondering if you're still in business. If your products, services, prices, location, hours, contact information and marketing messages change, make the updates immediately. Regularly review the site from a customer's perspective to see if content needs "freshening up", if there are new issues you should be addressing, or if there are new links that may be of interest to visitors.

If your Website has a business-related blog, make sure you make regular updates. Even brief posts and links to timely articles or news items will ensure visitors always see something new.

Also be sure your contact information is in a prominent location. Many potential customers visit Websites merely for basic contact details. This is also an easy way to make your Website more accessible to users of mobile devices, which are increasingly used for searches.

Don't simply assume that your Website is performing as you hope. Simple and inexpensive Web analytic tools will identify where visitors are coming from (e.g., search engines, links on other sites) what pages they visit, and where they go next. Google Analytics is one of the most widely-used tools, but other options to consider include Yahoo.com's web analytics, Piwik.org, WebTrends.com, and SiteCatalyst.com.

To learn more about ecommerce for small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Understanding the What's and Why's of Advertising

Have you ever seen an advertisement and thought that something similar might well benefit your small business? Well, it just could. Or, it could backfire and be a complete waste of money.

That's because advertising is but one element of a business's overall marketing strategy. True, it has many facets—print, billboard, online, broadcast, direct mail, etc.—but each element and the message it conveys has been carefully developed with a specific purpose in mind. In other words, image is not always everything.

Veteran advertising executive and SCORE mentor Tom Patty says a sound small business advertising strategy is built on three fundamentals:

- **Know what you are trying to accomplish.** There are several distinct stages to a customer's decision process, also called the "Purchase Funnel." You need to decide what part of that process you want to influence, and the best way to do it.
- **Select a medium.** Know who you want to reach, and where they get their information.
- **Know what your message is.** That message has to tie into what your target audience values. Is it responsiveness, quality, convenience, or something else?
- **Make sure you can measure it.** You need something that you can "see," such as more calls, greater use of coupons, traffic in store, etc.

Patty adds that entrepreneurs should not waste time and energy on things that don't matter—stationary typeface, color of business card. Instead, they should focus their message on what truly sets their business apart.

"Orient your message to how your product/service solves someone else's need," he says. "Effective messages are also simple and fun, but the focus should still be the benefit to the customer."

As for finding the most effective medium for your ads, Patty advises against looking to online as a "magic bullet." It's best to start small, perhaps with a few keywords on Google AdWords. And don't overlook "conventional" channels such as print, broadcast, or direct mail. If that's where your potential customers are, your well-developed ads should be there too.

To learn more about advertising your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Brand Your Small Business to Make a Lasting Impression

Consumers today are increasingly bombarded with information, yet have less and less time to process it. That's why every small business needs a brand—a fundamental message or impression about its products or services that punches through the clutter and anchors itself in the customer's memory.

Just how important is branding to a small business? Longtime marketing consultant and SCORE mentor Mike Scotto says it can create a loyal following of customers, and build a solid customer base for the business now and in the future.

"It's always easier and more cost effective to sell to an existing customer than it is in attracting a new one," he says.

Branding starts by identifying the business you are in, how you serve your market and who your customers are, and how you want them to be treated. It emphasizes the benefits of your product or service rather than just the features.

"By understanding your market, your customers and your competition, you can begin to create a 'competitive-edge' that is consistently and constantly reinforced in all your internal and external communications," Scotto adds. "Branding also involves consistency right down to the type face and design you use in advertising and communication materials."

At the same time a good branding strategy should also be flexible. Monitor how well your brand resonates with your key clients, and be prepared to tweak your message as necessary. Also keep an eye on what your competitors are doing, but avoid responding hastily to any changes they may make. What works for one company may not work for another, despite their apparent similarities.

Always look for ways to reinforce your brand. A good option is through a blog, where you can regularly share timely information and insights about your industry with current and prospective customers. Blogs also serve as a forum to discuss trends affecting your customers, and what they need to know about addressing them. Over time, your blog readers will increasingly look to you as an expert they can trust, whether they currently need your product and service or not.

To learn more about branding and other marketing matters for your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

“Success Thinking”—It’s All About Attitude

As a small business owner, you’re not just “the boss.” You’re also the leader, the person employees, vendors, customers, and prospects look to for guidance, support, and confidence. And being a leader is easier than you think. It begins with a positive, “can-do” attitude that your business delivers what it promises, and can achieve any goal.

This is called “success thinking,” and it’s found across all successful enterprises because the entrepreneurs made it contagious among their teams. They emphasize long-term potential over short-term thinking. They learn to innovate rather than hesitate, and shun the status quo as they seek to spark new interest and enthusiasm inside the business.

When you focus on the collective success of your business as a whole—not an individual person, project or product—you can accelerate success by identifying a few profitable activities and making them happen ever more flawlessly and quickly.

One way to spread success thinking is by encouraging communication across your team. Generally, those around you need more information in order to feel successful. Let them know where you think the business needs to go, the problems it faces and what keeps you up at night. Ask their advice about what you are doing right, what hurts and what needs fixing. That way, everyone has a bigger stake in your success. What’s more they become more inspired to find new, better ways of doing things as well.

Positive thinking breeds confidence, which should always be encouraged. But don’t become blinded by it. Writing in American Express’s OPEN Forum, entrepreneurial consultant and author Mike Michalowicz says small businesses often set goals, then fail to adjust them when the dynamics of the environment change because they see their thinking as infallible.

“Being positive isn’t a bad thing, it is simply being overdone,” Michalowicz notes. “Being negative isn’t bad either; its value is just being ignored. So start getting a little more negative in business. It will positively help you.”

To learn more success-minded ideas for your small business, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Matching Small Businesses with Big Buyers

Agencies at all levels of governments often look to small businesses for products and services. In fact, many designate certain projects or annual purchasing volumes for small-sized vendors. Not surprisingly, this makes for a highly lucrative, highly competitive market. But because of the intricate procurement process that these organizations must follow, it can be sometimes difficult for a small business to gain entry to this market and get buyers' attention.

For nearly a decade, the public-private Business Matchmaking initiative has provided opportunities for small businesses to make those all-important connections, and navigate the world of government contracting. At dozens of Business Matching events held around the country each year, small business owners can land one-on-one appointments with key officials from hundreds of major corporations and agencies. Business Matchmaking also helps small business learn about selling to big customers at local, state, and national levels.

While not every Business Matchmaking participant walks away with a government contract, the program does guarantee the opportunity to state your case directly to decision makers. And if you've never sold to large corporations or government agencies, this is an excellent starting point.

Best of all, Business Matchmaking workshops and events are free. You can search events, register, set up to three appointments and get all you need to participate at www.businessmatchmaking.com.

Another venue for making inroads into government contracting is the Victory in Procurement (VIP) program, sponsored by American Express OPEN, the financial services company's small business division. Day-long VIP events provide attendees with interactive workshops on relevant government contracting topics, networking opportunities and keynote speeches by government officials and industry experts.

And in 2012, VIP partnered with local Procurement Technical Assistance Centers to present a nationwide series of workshops offering best practices for marketing and successfully pitching their business to government buyers.

The VIP website (www.openforum.com/governmentcontracting) also provides information on the basics of government contracting, registering your small business with procurement agencies, and valuable marketing and networking tips.

For more help identifying potential public-sector business opportunities, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Don't Take Cash Flow For Granted

Without oil, your car won't run. Without water, your plants will wither. And without good cash flow, your small business is almost certainly doomed.

Yet despite its importance, cash flow is relatively simple to monitor and manage. It comes down to making certain that more cash enters your business than exits your bank account.

The first step toward ensuring a healthy cash flow is converting sales into real money as quickly as possible. That boosts your bottom line, and provides a safeguard against unpleasant surprises such as slow or non-paying customers, and unexpected expenses.

One way to shift cash your way is to ask for all or a portion of payment up front. Asking for at least a deposit before you begin work protects both you and your customer. And if you establish the policy fairly and properly, it shouldn't alienate good customers.

Accepting credit card payments also can help speed cash into your account, though it does require a small transaction fee. If you already have a merchant credit card account, encourage customers to use this option more often. Also consider new technology such as Square, which allows credit card transactions to be made using smart phones, regardless of where you do business. This technology expedites the flow of cash into your bank account, sometimes as quickly as the next business morning, and adds a welcome measure of convenience for your customers.

A healthy cash flow also requires close attention to your receivables—the money that customers owe to you for products or services you've delivered. Create a detailed "aging schedule" of what you are owed, by whom, and for how long. Call overdue accounts, focusing first on the largest amounts due. Don't rely on email unless you feel certain you'll receive a response.

SCORE has developed a variety of helpful templates and other starter guides for projecting, managing, and analyzing cash flow. Just search the "Tools and Templates" section of www.score.com. SCORE and its chapters also regularly host workshops on cash flow, both on-site and via the Web. You'll find a complete schedule in score.org's Local and Online Workshops sections.

To learn more about cash flow and other critical small business financial issues, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 13,000 volunteer business Mentors who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

A Data Back-Up Plan Will Keep Your Business Moving Forward

As important as electronic data files are to our small businesses, we don't always take the best care of them. We just assume that as long as we hit SAVE, everything will always be there when we need it.

In fact, the data on your computers has never been more vulnerable to loss, damage, or theft. Today's computers offer so much built-in storage, there's little need to off-load files and programs onto to create more space. That may make your business life more convenient, but it also opens the door to a host of risks.

For example, your hard drive could "crash," making data recovery costly and time-consuming at best, impossible at worst. A "bug" that slips by an outdated virus protection program through via a website or attached file could easily corrupt files beyond repair. And because many viruses operate by stealth, you might not discover the effects for days or even months.

Then there's theft. Laptops allow us to conduct business on the go, but when a data-laden device is stolen, all those important files are gone as well.

Fortunately, small business owners have many options for safeguarding data. Most are relatively inexpensive and easy to implement. One simple method is to copy your files to an external storage medium. Compact disks and portable USB flash drives are ideal for files you use regularly (i.e., company data, current projects, etc.) while high-capacity external hard drives are well-suited for backing up your entire system. A wide variety of storage capacity is available for each option, which can be purchased from both online and local electronics and office supply retailers.

Online storage services such as Carbonite (www.carbonite.com) and IDrive (www.idrive.com) offer the advantage of secure storage in an off-site server, providing an added safeguard against theft or damage. You can also access your data anywhere, anytime—a key advantage if you're unable to use your own computers. Prices for these services vary, and may prove to be expensive if you want to upload large amounts of data.

None of these options will fully protect your data, however, unless you get into the habit of performing automatic backups and transfers. Making a weekly backup part of your regular schedule will ensure that your critical small business information will always be up to date, and available to use.

To plug yourself into other technology solutions for your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Are They Independent Contractors or Employees?

Need help with some aspects of your small business, but aren't ready to bring on a full-time employee? Then do what your customers do when they turn to you, and hire an independent contractor.

You'll no doubt see a lot of familiarity in your relationship with independent contractors. They, like you, work for themselves, and usually make arrangements to perform their service on their schedule rather than yours. As such, you are the independent contractor's client, not their employer, which means you don't generally withhold taxes from their payments, or pay their Social Security or Medicare.

In addition, independent contractors use their own resources to do the job, whether it's tools, technology, or people. The independent contractor is also responsible for incremental expenses required, including transportation charges, routine purchases, and time and materials above and beyond his/her estimate.

Still, the difference between an independent contractor and employee can easily be blurred to the point where he or she may well be considered your employee under federal and state law. That makes you an employer, responsible for those payment withholdings, as well as penalties and other obligations.

So before you agree to an independent contractor relationship with anyone, make sure you understand what that means and carefully weigh the pros and cons. If you misclassify a worker, you could be liable for back employment taxes plus penalties.

These steps can help prevent an independent contractor from being misclassified as an employee:

- Specify the task and contractor's responsibilities/expectations in the contract.
- Avoid setting a pattern of daily or weekly work hours dictated by your business.
- Plan to compensate contractors on a per-job basis, not weekly or monthly.
- Do not include independent contractors under any insurance or benefits coverage you have for employees.
- Always require an invoice before making payment.

If you're still uncertain as to whether your worker is a contractor or employee, IRS Form SS-8, "Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding" can be filed with the IRS by either you or the worker. IRS will review the facts and circumstances and determine the worker's status.

Getting sound advice on management issues such as independent contractor status is vital for your small business. For help, contact SCORE "Mentors to America's Small Business."

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Make Sure Your Website Is Working FOR You, Not Against You

Nearly every small business has a website today. And no wonder. A 2011 PEW Internet study found that nearly half of all searches for local businesses are conducted online (newspapers finished a distant second). And usually, a company's website is the first place prospective customers go when those search engine results come up.

But what will they find when they get there? Unless you provide visitors with an attractive, informative, easy-to-use, and up-to-date website, they'll quickly hit the BACK key and see what your competitors have to offer.

The good news is that a website that effectively turns visitors into customers not all that difficult to create and maintain. Appearance is always important, but the key is to consider the customer's perspective—what kind of information are they looking for about your product or service, why are they looking for it, and what will make it easier for them to find on your site.

Let's begin with looks. A picture is worth a thousand words, but images shouldn't be the only thing visitors see. Nor should they be confronted with huge blocks of text. Find the right balance that most effectively conveys who you are and what you do.

Also remember that not every customer wants or needs to know everything about your business. Compose product or service descriptions in varying levels of detail, giving visitors the option to click for additional details.

That makes a website's structure and navigation particularly critical. Can customers find what they want fast? Are categories clear and well-defined? Is access to your products/services, rates, hours of operations, etc., intuitive and logical? Is it easy to back up a few pages and start in a direction? Is there a search function with well-defined keywords that can help direct them to specific areas of the site?

If you're using your website to sell products, make sure the shopping process is simple and clear-cut.

Display all costs early on—shipping and handling, optional features, etc. Studies have found that hidden costs are the primary reason customers abandon their online purchases.

And ask only for the information necessary to fulfill the customer's order; don't disguise a marketing research survey as an order form. You can get that data by inviting the customer to participate in a follow-up satisfaction survey after the purchase has been completed. And if you've provided good service, he or she will likely be more than happy to help.

To ensure your business has an effective online presence, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business

owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Cultivate Customer Loyalty

Every successful sports team has a “go-to” player, someone who can be counted on to perform and deliver whatever is needed in specific situations.

As a small business owner, you want your firm to be a “go-to” resource for your customers, the place they’ll turn to whenever they need a certain product or service, regardless of other options that may be available.

To achieve that distinction, you have to develop loyalty among your customers. At first glance, that might seem easy to do; give them what they want, and they’ll come back, right?

Not necessarily. Customers have always wanted to feel valued, and know that their specific needs will receive special attention. But building customer loyalty has become more challenging with the convergence of trends such as easy access to data about competing companies, more price- or location-driven purchasing decisions due to economic factors, and a sense of greater expectations of value from that purchase.

Fortunately, there are many tactics to foster customer loyalty that can be easily integrated into your day-to-day operations. A simple “thank-you for your business” will go a long way, but so too will a personalized thank-you note, especially in the digital age. Don’t cut and paste sentiments or use a form letter; think about what those customers have needed, and let them know you appreciate their business.

Creating value will help boost loyalty. Ask customers if there is anything else you could be doing for them. Then, after they tell you, do it. If you blog or send an e-newsletter, include some stories or links to topics they may find interesting, or relate to your product or service. You may also want to consider incentives such as discounts or freebies for frequent customers.

Review each customer “touch point”—your phones, your website, your store—to determine the kind of reception customers get, and how helpful each one is from the customer’s point of view. And make sure your employees feel valued. When they feel good about working for you, they’ll give customers an even better experience.

Even if your best efforts fall short and a customer goes elsewhere, you can still gain from the experience. Ask them why they switched. If there’s something you can change or improve on, do so. You may not regain that customer, but you can use that input to better serve the ones you have, and hope to attract in the future.

To learn more about generating customer loyalty for your small business, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to

small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Leadership Is Essential To Small Business Success

Do an Internet search on “leadership” and you’ll find no shortage of articles, books, and quotes about what it takes to be a successful leader.

That’s because no two leaders, or leadership situations, are alike. Each of us brings different skills, talents, and experiences to the table. How we apply them depends very much on the circumstances at hand. So while people like Theodore Roosevelt, General George Marshall, or Microsoft co-founder Bill Gates are all considered great leaders, their respective approaches to particular problems might have been quite different.

Still, there are skills shared by all successful leaders, including those at the helm of small businesses. Most are developed through experience and education (“born leaders” are few and far between). Business writer and IT consultant Susan Ward has identified five keys to business leadership. You may not fully develop them all, and have to compensate in other ways. But simply being familiar with them will make it easier to engage your employees, partners, vendors, customers, and associates.

- **Plan.** “Leadership involves identifying potential problems and solving them before they reach crisis proportions,” Ward says. As such, leaders are continually analyzing new data and adjusting their plans to conform to the changing landscape.
- **Have a vision.** “Vision provides direction and without direction, there’s not much point to all that planning,” Ward says. That makes it critical to develop a vision statement that defines your business, and what you want it to achieve.
- **Tell them about it.** Sharing that vision with others starts the cycle of getting them to believe in you, which reinforces your own belief in what you want to accomplish, and your ability to do it.
- **Take charge.** This is when all those thoughts and ideas are turned into decisive actions. “You can’t just ‘talk a good game’ to be a leader,” Ward says.
- **Inspire through example.** Your role as leader doesn’t end at 5:00 pm, or when you step outside for lunch. People won’t respond to your leadership unless they know you are fully committed to those objectives. As Ward puts it, “you have to act in ways that are fitting to your leadership vision and your self—all the time.”

For more leadership ideas, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Planning Can Help A Family Business Succeed, and Survive

According to the U.S. Small Business Administration, family businesses comprise 90 percent of all business enterprises in North America, and 62 percent of total U.S. employment.

So why are there always so many warnings about going into business with relatives?

Though some examples of imploding family businesses have been exaggerated by reality TV shows, operating a business with a spouse, parents, siblings, children or other family members does pose many risks above and beyond those of non-family enterprises. The dynamics and emotional ties among family members can influence what they do and say, making it difficult to criticize or discuss certain topics.

On the other hand, the same connections that create happy family can also add an extra dimension of loyalty and commitment that can help a small business achieve higher degrees of success.

One key to ensuring a successful family business is making a commitment to communication from the very start. Make sure roles and responsibilities are well-defined, particularly for those coming into the business as investors. Conduct regular meetings to assess progress, share information, air differences, and resolve disputes.

At the same time, make it a rule to leave business issues and discussions at the business. Don't bring them home or to social settings. This is important even for non-family businesses. It's refreshing to have devoted some time to yourself and your family, even if you will be seeing them again at work the next day.

Don't treat family and non-family employees differently. Your business's pay scales, promotions, work schedules, criticism and praise should be documented and administered fairly. And make sure non-family employees have the same access to managers for questions or problems as relatives.

Problems and differences of opinion are common in a family business, so it's important to continually keep in touch with each other. Weekly meetings to assess progress, air differences and resolve disputes work well for many family firms.

One of the biggest communication-related issues arises over succession. According to the Family Business Institute, only about 30 percent survive beyond the founder's generation, and just 12 percent make it to a third. Many potentially viable businesses have dissolved because of disputes and assumptions over who would take charge. That's why it's important to have a succession plan in place, and make sure all family participants are aware of it.

To learn more about operating a successful family business, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Choosing The Right Financing Strategy is Easy—If You Know the Rules

One of the biggest issues facing most small business start-ups is financing. Too little money will likely doom your dream, or at least make it difficult to fully serve your customers. The wrong approach may provide you with plenty of funds at the outset, but also obligate you in ways that will have huge consequences in the future.

The two major categories of financing are debt and equity. Debt financing means borrowing money that must be repaid over a period of time, usually with interest. These loans are often secured by some or all of the assets of the company. In addition, lenders commonly require the borrower's personal guarantee in case of default. This ensures that the borrower has a sufficient personal interest at stake in the business.

Traditionally, banks have been the major source of small business funding. However, they are reluctant to offer long-term loans to small firms, particularly since the recession began. To help fill the gap, SBA 7(a) program encourages banks to issue long-term loans up to \$1 million for small businesses that are unable to find financing on reasonable terms through conventional lending channels. (More details about the SBA guaranteed loan programs are available at www.sba.gov/financing).

The other category, equity financing (or equity capital), is money raised by a company in exchange for a share of ownership in the business. Equity often comes from investors such as friends, relatives, employees, customers, or industry colleagues. The most common source of equity funding comes from venture capitalists—institutional risk-takers comprised of wealthy individuals, government-assisted sources, or major financial institutions. Most specialize in one or a few closely related industries.

While equity financing usually eliminates the need to repay specific amounts at specific times, investors usually have an expectation of receiving some kind of return on their investment. They may also insist on having some input on decision-making, and be less flexible about repayment should the business falter.

Other funding or cost-sharing options include partnerships, joint ventures, alliances, co-branding arrangements and business incubators. Incubators rarely offer cash, but they provide crucial support in the form of free or reduced rent and business services.

More details about financing for both start-ups and existing small businesses may be found at the SBA's website, www.sba.gov/content/borrowing-money.

To learn more about financing a small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

The Fundamentals of Finding Freelance Work

When you start a career as a freelance consultant, you begin a journey that will be as challenging and rewarding as anything you've ever done. Though the possibilities of what you'll do and how far you'll go are endless, there are some things you can count on—namely the constant pursuit for new work.

That's not necessarily a bad thing, as the positive aspects of freelancing usually more than offset the effort required to achieve them. And approached the right way, marketing yourself and what you do will not be a chore at all. You may even find that it to be fun.

A key step in the process is to build your personal brand. That means leveraging your special knowledge, style, or expertise. But the idea isn't simply to call attention to yourself. Instead, focus on the issues and concerns of your prospective customers, and position yourself as a resource for helping them find solutions.

Social media has made it remarkably easy to convey this message via blog posts, Tweets, Facebook fan pages, and so forth. In addition, commenting on the blog posts of others can also enhance your standing as an expert, inspiring thought leaders and their followers to want to learn more about you.

But while the Internet is a valuable way to get your name out, in-person networking remains an essential part of any freelancer's awareness strategy. Have that brief "elevator speech" ready to introduce yourself, but be ready to shift immediately into "interview mode" and get to know the people you meet better. The more you learn about them, but more likely you are to find ways to serve them. And because of that all-to-valuable interpersonal communication, they're more likely to consider doing business with you.

Once you get those coveted customers, doing a good job is an important step toward securing repeat business and referrals from that client. Many small business experts recommend offering a money-back guarantee on those initial projects, rather than doing the work at a discount. That way, the customer has nothing to lose and everything to gain by giving you a try.

And regardless of the client, the size of the job, and how busy you are, never scrimp on client satisfaction. Always stand behind your work, and try to gauge client expectations at every step. Then, exceed them.

To learn more about finding projects for your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Make Sure Fulfillment Firms Fulfill Your Expectations

The increasing popularity of online shopping makes contracting with a professional order fulfillment service a wise move for many small e-tailers seeking to streamline their operations.

Rather than dealing with the varying time, labor, and cost requirements to ship orders, a fulfillment service does the job for you. Your products, labels and other unique packaging can be stored in the fulfillment company's facilities. When orders are placed—either through your website or directly to the fulfillment firm's system—the contractor packs and ships the items. Many firms also handle customer service and returns/exchanges.

But as with any other contracted service, shopping for the right fulfillment firm requires some research on your part. A good place to start is the Mailing and Fulfillment Service Association (MFSA), a professional organization for mailing and fulfillment companies.

MFSA's website (www.mfsanet.org) offers a search feature that can help you search for candidate vendors depending on the services you're interested in. Many offer direct mail services for catalogues and sales flyers, as well as creative and design assistance to customize your packages and labels.

Once you've identified some candidate firms, learn as much as you can about their experience. Ask for references from companies similar to yours and contact them about their experience with the fulfillment house, especially problems and how well they were resolved.

The costs of fulfillment services will also be a consideration. Some may require minimum orders, charge extra for certain types of packaging, or add storage and inventory fees. There's also the matter of product management; how easily can you integrate new items with different characteristics? And, of course, ask what guarantees do they offer for responsiveness and shipping quality. The last thing you want is customers receiving late or damaged orders, or not getting them at all.

You may well find that your final selection involves some trade-offs. A fulfillment house located nearby may not offer as much value as one further away, which means getting your products to them will cost more. You may also find that while handling fulfillment in-house may cost more than outsourcing, but also gives you greater control over the process, and keeps you one step closer to your customers.

To learn more about shipping and fulfillment at your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Don't Tackle the 21st Century With a 20th Century Website

Taken a look at your website recently? If not you'd better, because you may not like everything you see. And if you're not happy with it, it's quite likely your potential customers certainly won't be either.

While a website remains the anchor of most small business marketing strategies, the way visitors access and interact with them has changed. More than just electronic billboards and menus for your product or service, websites are now considered repositories of information that visitors use to learn more about what you do, specifics of your products or services, or examples of how you've helped people like them.

If you're blogging and want to direct readers to a specific section of your website, you want that information to be complete, timely, and relevant. You also want to make it easy for visitors to find related information (e.g., similar products or other client case studies), and move around to other areas of the site. Don't leave them on an island in cyberspace.

Search engine optimization (SEO) has also never been more important in raising a website's profile, which is why your content should be filled with the keywords that prospective customers are likely to use. In addition, your website information should also be updated regularly. Fresh content is more likely to be spotted by a search engine than something that hasn't changed in decades. Sites such as Search Engine Watch (searchenginewatch.com) are great resources for keeping up with the ever-expanding range of search engine technology.

Finally, don't forget mobile devices. Because more web searches are being performed with smartphones and similar "on the go" tools, it may be worthwhile to develop a dedicated mobile site, or at least make your current website more readable on those small screens.

Entrepreneur.com technology editor Jason Fell recommends displaying your company's important information (name, address, contact information, etc.) at the top of the page in plain text, and configuring other pages for convenience so that visitors don't have to jump from one to the other. Flash-based videos should also be avoided on mobile sites, as their large size can take longer to download—something that may tax a visitor's patience.

To learn more about technology issues that affect your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

The Road to Trademark Protection—Know the Route Before You Start

Do you want to legally protect your business name, catch phrase, and/or logo design from being duplicated or misused by competitors? Then consider applying for a trademark from the U.S. Patent and Trademark Office (USPTO).

A trademark is a word, name, symbol or device used in business to indicate a source of the goods (i.e., your business), and to distinguish those goods from those sold by another business. Its cousin, the service mark, identifies and distinguishes the source of a *service* rather than a *product*.

Before making your application, use Trademark Electronic Search System (TESS) at www.uspto.gov to determine whether your desired word or design marks have already been registered. The USPTO recommends making sure you have a clear idea of the mark you want to register, the goods and/or services in connection with which you wish to register the mark, and whether you will be filing the application based on actual existing use of the mark or a firm intention to use the mark in the future.

Your next step should be to consult a trademark attorney for legal advice regarding use of your proposed trademark, filing an application, and the likelihood of success in the registration process. The American Bar Association (www.americanbar.org) can direct you to referral services offered by local or state bar associations.

Although the USPTO allows you to file your application and monitor its progress online, it's still helpful to have an attorney involved to answer questions or address any problems, particularly as the review process usually takes several months. Application fees will not be refunded, even if the USPTO's examining attorney determines that a mark should not be registered.

If the application is approved, and no objections are received after its publication in the USPTO's *Official Gazette*, a few more steps remain before a trademark certificate is issued. Then, it's up to you to use your trademark in accordance with the law, and file the required documentation and fees as needed to renew it. Otherwise, the registration will be cancelled.

The USPTO's website offers a host of instructional pages and videos to guide you through the trademark registration process. You can also learn more about trademarks and other small business matters by contacting SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Put the Spark Back in Your Small Business

“If it’s not broken, don’t fix it,” is a familiar saying. But just because your small business seems to be just getting by in a challenging economy doesn’t mean there’s no room for improvement. Flat sales aren’t always entirely out of your control.

But does your business need a full-scale makeover to get things going? Or are some simple tweaks enough to spur activity?

A good place to start is by taking a fresh look at your business plan—something every entrepreneur should do regularly in good times and bad. Regular reviews and updates keep your original start-up research in step with both internal and external changes. After doing some research you may well find that some key assumptions about your customers have changed, or that demographic trends haven’t panned out as planned.

You may also see the need to address aspects of your marketing strategy. The core messages to customers may still be valid, but perhaps it’s time to adjust the wording or even freshen up your logo. Your current advertising and promotional strategy may need to be realigned to channels that show more promise, from print ads to direct mail, for example.

Keep in mind that you don’t have to grapple with these problems yourself. If you have employees, splurge on dinner or some other fun activity and give everyone a chance to unwind. This is a good time to discuss ideas to help the business, but also encourage everyone to think about things on their own and submit their thoughts and ideas to you directly. Studies have shown that group “brainstorming” sessions sometimes backfire because a handful of people tend to dominate the conversation,

Also consult with trusted advisors, friends, and colleagues. Most importantly, talk with your customers. Ask them what you could be doing better, and what changes to products or services they might like. After all, if you don’t know exactly what they want, you won’t be doing much business with them.

Don’t focus just on *your* business. Ask about the issues they’re dealing with, and things that have become important in serving their customers. That may give you ideas for augmenting your product or service line. And some customers may even agree to let you “test market” your makeover ideas, and provide feedback for fine-tuning your business stimulation strategy.

For more guidance on business makeovers, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Going Green Is a Great Idea for Your Business

How “green” is your small business? That’s a good question, considering the growing awareness of environmental and sustainability issues. And it’s more than just a fad; it makes economic sense. Many green operational strategies can prove less costly in the long run, boosting your profit margin.

What’s more, studies show that more and more consumers prefer to do business with environmentally responsible companies, reinforcing their own personal and/or business commitment to green practices.

But there’s much more to integrating green thinking into your small business than replacing light bulbs and setting out recycling boxes. And a good source of guidance is the Green Business Guide at the Small Business Administration’s website, www.sba.gov.

Here you’ll find many simple, yet highly effective ways to reduce energy use and conserve resources, funding assistance for implementing major energy improvements, and tips for employee-based environmental programs. There’s also guidance for making your products and services more environmentally friendly, regulations governing marketing green products, and examples of how several small businesses have already reduced their carbon footprint.

In addition SBA’s webpage on waste (www.sba.gov/content/waste) offers a number of ideas for reducing waste in the workplace, including recycling some materials give others a useful “second life,” and cost- and Earth-saving measures such as safely reducing packaging materials.

Speaking of recycling, your local waste collection agency may have readily available information and ideas for keeping items out of landfills, including recycling items such as electronics, office furnishings, and substances used in manufacturing processes.

Another helpful source of information is GreenBiz.com, a service of the Washington, DC-based Green Business Network. In addition to providing the latest news on a variety of sustainability fronts, GreenBiz.com also offers several e-newsletters, educational events, and valuable background information to help you better understand the driving forces behind the green business movement.

The Small Business Environmental Home Page (www.smallbiz-enviroweb.org) is tailored specifically to the needs of small business, providing links to state agencies, trade associations, and other programs focused on reducing pollution.

To learn more about the “greening” of your business, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business

owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Transfer Your Technology Needs to a Qualified Consultant

In many ways, navigating the world of information technology (IT) has never been easier. Websites that once required extensive programming and development can now be created within hours using WordPress and other technologies. You can pick up a Wi-Fi router and be online from anywhere in your facility the same day. The proliferation of hardware—PCs, laptops, tablets, and mobile devices—allows you to make purchases based on price as well as capability.

Not all aspects of IT are so easily mastered, however. Things like internal networks, servers, and Internet support require a certain level of expertise. Then there's the matter of system maintenance and troubleshooting problems when they arise.

That's why many small businesses opt to outsource some or all of their IT requirements to qualified consultants. They are typically entrepreneurs themselves who apply their knowledge of technology systems to meet the needs of other small enterprises. Because they're specialists who stay abreast of emerging trends in IT, they can provide expert advice on what's needed to keep your technology investment in step with your small business needs.

And most important, they can respond immediately to emergency problems and minimize downtime—something no small business can afford in the digital age.

Selecting a qualified IT consultant does require some upfront work on your part. You must first determine what your IT needs are, and which ones you want to outsource. Though most consultants offer a wide range of services, it may be more practical to keep some functions in-house.

An Internet search will likely turn up several consultants in your area, but you can also ask your small business colleagues for referrals. Consider several candidates before making a selection. Look for someone who has demonstrated expertise in key areas, and has done work for businesses similar to yours.

Interview the candidates as you would prospective employees. After all, you'll be working closely with them, so you'll want to have a good comfort level as well as confidence in their abilities. A key consideration is their ability to convey technical jargon in plain terms, both to you and to any employees they may work with.

And be sure to request and check references. Ask about the consultant's responsiveness to problems, as well as his/her initiative in assessing your needs. Whoever you choose will be responsible for a critical component of your small business infrastructure, and you want to be sure it will be well taken care of.

To learn more about technology issues facing your small business, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Employee Health Care Remains in Reach for Small Businesses

Health care was once almost a routine employee perk. But as costs have spiraled over the years, businesses of all sizes have cut back on their coverage or increased the employee's contribution; some have eliminate the benefit altogether.

According to the U.S. Department of Health and Human Services (HHS), less than half of U.S. businesses with fewer than ten employees offer health insurance. Only 15 percent of companies with 25 to 100 workers do. But as competition for talented employees intensifies in the coming years, small businesses will have to find ways to lure good workers, and keep the ones they already have. And health coverage may well be an important bargaining chip.

One solution is to take advantage of high-deductible health insurance plan (HDHP) with a health savings account (HSA).

Less costly than conventional plans, HDHPs cover major health and medical expenses for those who can afford some up-front medical costs. Participants have the option to open and make pre-tax contributions to an HSA. Withdrawals are tax-free when spent on qualified medical expenses. Unspent HSA funds carry over, so the accounts have the potential to accumulate significant balances over time.

What's more, employer contributions to a tax-favored HSA are exempt from payroll taxes, though the employee retains full control over the account. As a result, premiums can be 40 percent lower in a high-deductible HSA-qualified health insurance plan than those in a conventional co-pay plan

More than 13.5 million already utilize HSAs, which are largely unaffected by the Patient Protection and Affordable Care Act of 2010 and the Health Care and Education Tax Credits Reconciliation Act. Expenses incurred for over-the-counter (OTC) medications without a prescription are no longer eligible for payment or reimbursement from an HAS, and the penalty on account withdrawals no use for qualified medical expenses has increased from 10 percent to 20 percent.

However, the Act will change rules for HDHPs in the coming years, and employers should monitor sites such as HHS's HealthCare.gov for news and detailed information.

The National Association of Health Underwriters (www.nahu.org) has a helpful HSA section on its Website with basic information on how HSAs work, insurance firms offering these plans and assistance with finding an agent. Firms also have the option of setting up their own plans, and arranging for employee HSAs.

To learn more about human resources issues facing your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than

12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Prevent Collections Problems with Prompt Payment Policies

You sell the product or perform the service and send a bill, and the customer pays. End of story.

Not always. While most customers will pay you promptly for your work, there will always be those who are slow, or don't pay at all. This can be more than an irritation; it can stifle your cash flow and cause problems for your business, especially if large amounts are involved.

The best way to address a collections problem is prevent it from happening. Make sure your clients understand and accept your payment policies before doing the work. If you provide a service, there's usually nothing wrong with asking for partial payment up front, with the balance due upon completion. For large or long-term projects, you can make arrangements to be paid at regular intervals or as major milestones are achieved.

Make sure your payment terms are also spelled out on your invoices. Specify a payment deadline or period (e.g., 15 or 30 days after issuance), plus a penalty for late payments. Again, make sure your customers understand this policy ahead of time so that they can't claim to be "surprised" by your requirements.

Your invoices should include your company name and contact information, and a summary of the work performed including itemized costs for time and/or materials. Including this data in an email message is sometimes acceptable, but a formatted document is usually preferred, whether it's sent by email or via the Post Office. Ask where it be directed to help expedite the payment process. If it's someone other than the client, get a name and contact information

Don't let overdue invoices start to age. If the deadline passes with no payment, call the customer or contact person and politely ask about the status of your invoice. Many companies do wait until the last minute to issue payments, so the check could well be "in the mail." Or, there may have been an accounting issue. Document each call and what happened, then follow up again.

If your payment still isn't forthcoming, notify the customer that some action needs to be taken. Again, be polite and professional. If they are having financial difficulties, they may want to negotiate partial payments as their resources permit. That's fine, as long as it doesn't hurt your cash flow; but the late fee should still be included. If you see no hope of receiving payment, it may be time to contact an attorney or collections agency for assistance.

Collections are just one critical financial issue your small business can face. For expert help and advice, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Don't Be Satisfied With So-So Results From Your SEO Strategy

Once upon a time, being “found” in cyberspace was just about all most small businesses wanted. Usually, with a search engine optimization (SEO) strategy that encompassed using some well-placed keywords, your website would start appearing in a search engine’s results list.

With more customers making greater use of search engines to locate products and service providers, SEO is now more than a good idea; it’s a must. Your website—and correspondingly, your business—has never faced so much competition from comparable firms down the street, or around the world. And it’s no longer enough to simply be included in Google or Bing results; you want to be at or near the top of the list. Unless a customer is doing some serious comparison shopping or looking for something specific, it’s likely he/she won’t go beyond the first few selections, let alone go on to page 2.

SEO has spawned a host of consultants that specialize in crafting strategies for various businesses. But there are several things you can do on your own to optimize your website.

The fundamental principle of targeted keywords remains critical. Think about phrases and multi-word search customers may use for businesses such as yours and incorporate them into your content.

Another SEO principle of fresh and timely content also continues to hold true. And there’s no easier way to continually keep your site up-to-date than with regular blog posts, tweets, Facebook fan page updates, and so forth. Catchy titles and headings in your posts and articles are also more likely to catch an automated searcher’s eye.

To attract more customers locally, encourage your current customers to post reviews of your company on sites such as Google Places, Yelp, and others. Make sure the reviews are brief, yet thorough, and not the kind of overly glowing raves that may raise a reader’s suspicions about its validity.

Because many of these searches are performed using mobile devices, make sure your website is optimized for smaller screens with basic information at the top. If you expect a significant number of searches by mobile users, a customized mobile domain may be in order.

To learn more about selling effectively on the Web, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

The Best Small Businesses Know How to Keep the Best Employees

Good help may be easier to find that the old saying suggests, but it is certainly hard to keep. Even in areas where the economy is relatively slow, good employees usually have no difficulty finding a job that suits them better.

And it's not always a matter of money. Everyone appreciates a bigger paycheck, of course, but quality of life issues are increasingly taking precedence in today's time-crunched world. Employees want careers that complement their lifestyles, rather than dictate them. And if they are that good, as noted earlier, chances are that a "perfect job", or at least one close enough to it, will find them.

What can you do to keep those special employees on your staff instead of someone else's? Here are some ideas:

Talk to them...and listen. A solid employer-employee relationship begins with communication. Schedule regular meetings to discuss what's going on with the company, what customers are talking about, and other timely issues. If you're considering investing in new equipment or offering new products or services, ask employees what they think of the idea. They may have perspectives or suggestions you hadn't thought of.

Equalize expectations. Similarly, make sure each employee knows what's expected of him/her, and how performance is to be evaluated and rewarded. Annual reviews are the norm, but more frequent meetings may help identify areas for improvement or opportunities to adjust duties and expectations, particularly if your business is in the midst of change. That also includes providing a clear path for advancement within your company as it grows.

Be flexible. Look at your operations and see if it might be possible to make employees' hours more flexible, perhaps working longer hours in exchange for an extra full day off, or allowing them to work from home on some days. Also give employees the choice of using vacation time little by little throughout the year, rather than a single one-time block. Of course, individual requests will have to be coordinated with other workers to make sure all functions are covered.

Help them learn. Good employees always want to learn new skills. Consider offering a tuition reimbursement or cost-sharing on job-related training and professional development courses. Yes, there's a risk that the employee will take that newfound knowledge elsewhere, but your encouragement and support improves the odds that they'll stay put.

To learn more about employment issues facing your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

The First Step in Franchising is to Learn the Facts

Want to expedite your way to entrepreneurship? Investing in a franchise may be the way to go. There are already more than 828,000 franchised establishments in the U.S. according to the International Franchise Association (IFA). They span nearly every type of business imaginable—from restaurants to fitness centers, from printing services to lawn care.

One source of franchising's appeal is that much of the up-front work has already been done. The franchisor has developed and refined the concept, created a recognized brand, established supply channels, and formulated work processes. Often, they also know what markets are ripe for expansion, which is where franchisees come in.

That doesn't mean one simply buys a franchise, sets up shop, and starts making money. As with any new business venture, you need to learn as much as you can about the franchising companies you're interested in, and what your specific responsibilities are, including your financial commitment. You may need to prepare a business plan to secure outside financing to get started, much as someone building his/her own business from scratch.

The IFA recommends gaining a complete understanding of the business and the type of experience required to operate it; the franchisor's financial condition and business track record, particularly in recent years; the costs to purchase and retain the franchise once it's operational; and performance expectations.

Much of this information may be found in the Uniform Franchise Offering Circular (UFOC), a disclosure document that every franchisor is required to provide prospective franchisees. You should review both the UFOC and the proposed franchise agreement carefully with your attorney and accountant.

Also investigate how other franchisees are doing, and what their relationship is with the franchisor. Visit their facilities and watch how the operations work, then interview the owners personally to find out about their experiences, particularly the franchisor's support in handling problems and promoting growth.

More guidance for researching and purchasing franchising may be found at the IFA's website, www.franchise.org, which also contains a database of more than 1,100 franchise opportunities. Another valuable resource is the Federal Trade Commission (www.ftc.gov), which offers numerous information pages and publications designed to help prospective franchisees make informed decisions.

To learn more about starting and growing a small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business

owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

To Buy or Lease? That is the Question

Whether you need computers, desks, machinery, or vehicles to get your small business or started or sustain its growth, the cost to acquire and maintain these items can easily overwhelm your balance sheet. But there's another, potentially more cost-effective option—leasing.

Leasing offers many benefits beyond simply costing less money. Rather than having to weigh the trade-offs of various items for a long-term investment, you can get the right equipment for a specific need for as long as you need it.

Leases can be tailored to conform with project-specific or time-based needs (e.g., month-to-month, seasonal, or annual). Routine maintenance and upkeep can often be included in your lease payment, freeing you from another responsibility and ensuring the equipment is always ready to use when you need it.

Many small businesses find leasing a good way stay ahead of technology when it comes to computers and similar support systems. Why allow your growing business to be hamstrung by aging tools when you can replace them easily with the latest technology under a new lease?

Leasing also saves you time. In addition to not having to find financing for a new equipment purchase, equipment leasing companies are typically staffed with experts who are up to date not only on the equipment itself, but the specific models that will best serve a small business like yours.

Also consider leasing's potential costs. For example, the lifetime cost of the asset is generally going to be higher than if you purchased it. You also forgo up any ownership in the equipment, which can be especially costly if you rely on the equipment and find at the end of the lease that the equipment is too expensive to purchase outright. And while lease or rental payments on assets used in your business are fully deductible, they may not offset the tax benefits of depreciation deductions on owned equipment.

If these factors add up to a decision to lease, consider how long you anticipate needing the equipment. If you expect it to be for a long time and want to establish equity in the equipment, ask about building a purchase option into the lease so that a portion of your payment is credited to the purchase price. And make sure you fully understand what you're signing. It may be helpful to have your attorney examine a lease before completing the transaction.

To learn more about small business loans and leasing, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Collecting Customer Feedback in the Digital Age

Offering customers what they want in order to boost sales may seem like a no-brainer. And finding that valuable information is just as easy. All you have to do is ask them.

Over the years, many tools have been employed to gather customer feedback, from mail-in surveys to simply asking a few questions after the purchase. The emergence of the Internet-based shopping and interaction has given rise to a host of new and convenient tools such as the online survey. Services such as Survey Monkey (www.surveymonkey.com) make simple surveys as easy and convenient to create as they are for customers to answer.

To get the most from your survey, Survey Monkey recommends these guidelines:

- **Be clear.** Say you're surveying on customer satisfaction for a hotel stay. Don't make your respondents guess what you mean. Tell them.
- **Be specific.** Don't ask questions about *general* concepts or ideas; ask about specific concepts or ideas (i.e., being "a good person" is general; being "polite to customers" is specific).
- **Ask a lot of questions.** Asking multiple specific questions instead of a single general question will make your questions easier to answer for your respondents, and make your data easier to analyze and act on.

Blogs and Facebook pages are also good channels for soliciting and gathering customer feedback, as is a suggestion email feature on your website. Respond promptly with a personalized message or even a phone call if appropriate to thank the customer for responding. Customer rating and testimonial sites such as yelp.com are also taking on greater prominence as feedback sources.

However you gather customer feedback—either using an Internet tool or good old-fashioned in-person conversation—act quickly on whatever you gather, particularly if customers have experienced problems or aren't finding what they're looking for. They may also alert you to a product or service they'll need in the coming months, giving you a head start on being their go-to choice when the time comes.

Customer satisfaction is just one of many aspects crucial to small business success. For more help, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Move Carefully When Using Financing From Friends and Family

More than half of all small businesses in the U.S. are self-financed by the entrepreneurs themselves. The second most utilizing funding source isn't banks or venture capitalists; it's friends and family.

And it's understandable. Rather than having to introduce and prove yourself to strangers, you can make your case to people acquainted with your character, experience, and work ethic, usually in a familiar, more comfortable setting than a loan office. The interest and payback terms for loans from friends and family also tend to be far more generous and flexible than anything offered by a lending institution.

Of course, this seemingly ready source of small business financing has a downside. Too often, the loans are vaguely structured, with unclear expectations about when and how the loan will be paid back. Relationships could be stressed beyond repair if things don't work out as planned, and you're forced to limit repayment or even default. Some friends or relatives may also expect certain perks in exchange for their investment, from free access to products or services to a job or a say in how the business is run.

Rather than assuming everyone understands the conditions of the loan, it's best to lay out the terms and conditions, and put everything in writing. Sometimes, a "Promissory Note" is all it takes to document a loan from a friend or family member. While there are several online templates and forms for constructing your own Promissory Notes, it's often helpful to have an attorney examine the document before anyone signs it.

You can also find help from online services such as Zimple Money (www.zimplemoney.com) or Prosper (www.prosper.com), which offer assistance with structuring and administering loans. For example Zimple Money provides automatic billing and collection, including payment alerts and reminders, accounts posting, and tracking. Payments can be made via direct deposit, helping speed repayment to your backers.

Even if the participation of friends and family members is limited to a simple loan, be sure to keep them abreast of your small business's progress. Success may inspire them to step up once again when you need cash for an expansion. But don't be afraid to share less encouraging news either. Being up front and frank will make it easier to renegotiate the loan terms if necessary. And always be prepared to deal with hard feelings from someone, even if you've done all you can to ensure they are treated fairly.

To learn more about financial issues facing your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Make a Big Impression With a Small-Budget Ad Strategy

Unless customers know about your store, product, or service, they're not likely to give you much business. The key to raising awareness for many small businesses, is a well-crafted, cost-effective advertising strategy.

Too often, however, the word "cost" seems to stand between many a small business and that desired customer base. The most familiar and popular advertising channels tend to be expensive, not to mention creating an ad that will capture customers' attention in today's information-saturated marketplace.

But there are a number of highly effective options available to small business advertising budgets of every size. All it takes some research to determine whether they will indeed reach the right audience, and are most feasible for a business such as yours.

The Internet is an obvious starting point, but don't limit your thinking to pop-up or front display ads. Search engines and social network sites offer numerous options for pay-per-click advertising. And by following search engine optimization practices (timely content, use of customer-oriented keywords and phrases, etc.), your company's website and blog will advertise themselves by appearing higher on search result lists.

Don't overlook "conventional" channels such as print or broadcast. In many areas, particularly small towns, newspapers and radio stations remain primary sources of news and information. Most have consultants who will also help design or produce your ad. Again, these options tend to cost more, so ask for the latest demographic data on readership/listeners.

Don't limit your thinking to ads either. Many newspapers will run prepared news releases from your business for free. Just make sure the content focuses on issues of interest to readers. You may well have the best new restaurant in town or be a top-notch accountant, but so what? Tell them what you do that's unique. Also offer to write a story about a timely issue or concern related to your industry. Newspapers often run such features for free, giving you valuable exposure as an expert in your field.

Finally, there's direct mail. While this option puts your ad directly in the hands of customers, it's essential to have a targeted, up-to-date mailing list. Broader mailings will cost more, but also increase your odds of success. You can design the mailing yourself, or get assistance from online and local printing consultants who will also help with distribution. Don't scrimp on looks; dull or inappropriate ads are more likely to wind up in the trash or recycling bin, along with your investment.

To learn more about advertising your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business

owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

The Ethical Workplace: Easy to Say, More Difficult to Do

Whenever there's news of a corporate financial scandal, dishonesty, a negligence lawsuit, we wonder why doing the right thing is so difficult. In truth, it isn't. Most of the time, businesses of all sizes treat their customers, employees, suppliers, and colleagues with honesty and integrity. Yet the temptation to cut corners or say something known not to be entirely accurate is always there, particularly when one rationalizes it as "just this once."

The problem is "just this once" opens the door to doing it again, and again. If you get away with it, you still know about it. And if you don't, renowned investor Warren Buffett said it best: "It takes 20 years to build a reputation, and five minutes to ruin it. If you think about that, you'll do things differently."

Because the world of small business today is so complex, however, we may still encounter situations where "the right thing" may not be so obvious. Options for handling it may have trade-offs that make the choice particularly difficult, leaving you to wonder if the best you can do is something that is the "least wrong."

And though you may have confidence in your own values, you also want to cultivate a culture of ethics among your employees. Simply establishing a zero-tolerance policy on misrepresentation, theft, or other ethics violations is not always enough. They too may face difficult ethics decisions, and be uncertain about the consequences of reporting them. In these cases, what you don't know really can hurt you.

That's why successful entrepreneurs make ethics a regular part of their continuing small business education. Many utilize the Josephson Institute of Ethics (www.josephsoninstitute.org) a non-partisan, non-sectarian organization that develops and delivers services and materials designed "to increase ethical commitment, competence, and practice in all segments of society." In addition to booklets, training, and other resources for making ethical decisions, the Institute offers a regular e-newsletter and podcasts from founder Michael Josephson.

Another helpful resource is the non-profit Ethics Resource Center (www.ethics.org), which has been devoted to independent research and the advancement of high ethical standards and practices in public and private institutions for nearly 90 years. This group also offers free e-newsletters and survey analyses that explore the many dimensions of ethics in the workplace.

To learn more about management issues facing your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Lively Web Copy Makes for a Lively Small Business

Even in today's high-impact, visual-driven marketplace, words still matter. And the words with the potential to have the biggest effect on your small business—both positive and negative—are on your website.

Website copy differs from brochures and other documents in several ways. Because visitors' attention spans are usually limited, you have to grab and hold their interest with clear, crisp content. Get to the point quickly—whether you're describing products or services, or listing your qualifications. Many sites provide a concise description, then give visitors the option to click on a more detailed description.

A similar approach can be used to describe various services, accomplishments, and case studies of how you helped customers.

The information should also be presented in “bite-sized” sections, not long text-heavy paragraphs. Try to keep sentences short, but not to the point where your pages resemble a children's story. Hyperlinks to other sections of your site or elsewhere on the Web are fine in moderation. Also avoid jargon or terms that customers and newcomers to your industry may be unfamiliar with.

And though your website is designed to promote your business, focus on your customers and what they're looking for. Instead of a high-tech ad hyping your qualifications, make your website look like a resource for customers in need. Think about the kinds of questions customers have when searching for a business like yours, and address them in your content.

And don't forget those keywords and phrases that Internet search engines look for. Including them increases the likelihood your website will appear on the results page.

It's also a good idea to periodically review and update your web copy. Even the most brilliant writing gets stale, especially if the information is out of date. Make sure your content stays in step with things your customers are looking for, changes in your business, or advances in your industry.

If you maintain a blog for your small business, many of these tips apply as well. Announcements about your business are fine, but focus on the kinds of things customers are interested in. Make the posts only as long as they need to be, linking to longer, more detailed information on your website.

For more advice on marketing your small business, contact SCORE “Mentors to America's Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business

owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Communication is Key to Keeping Employees Motivated

Getting ready to hire your first employees? Congratulations! You're contributing to the long-standing role of small business as the primary generator of new jobs in the U.S., not to mention enhancing your locality's own economic profile and your customer service capabilities as well.

There's no shortage of administrative issues you'll have to consider—payroll, work hours, operational procedures, etc. But you should also think about how you'll keep your newfound staff motivated so that they'll continually give their best effort and keep your small business growing.

Just providing a paycheck won't be enough. Business experts say that recognition and involvement are critical to keeping employees inspired to give 110 percent. For the owner, that means you have to commit to communication from the outset.

For example, make sure each employee has a clear understanding of his/her responsibilities, performance expectations, and how they'll be evaluated. Some of this should've been conveyed during the interview process, but some other things may have come to mind after offering the job. Meet with the employee to review everything on that first day to make sure nothing was misinterpreted or forgotten.

Over time, you need to find a balance between being visible and letting them do things on their own. You don't want to hover unnecessarily, nor do you want to assume the employee is doing the right thing.

When there's a success, make sure the employee is immediately rewarded. It need not be cash; some extra time off or dinner on you for his/her family can go a long way. If there is a problem, don't criticize. Instead, work with the employee to determine how it happened, and what will help prevent a reoccurrence. It may well have been a one-time goof or something inherently wrong in the work process.

Make the employees feel part of a team by encouraging their input for changing or improving processes, or adding new products and services. Regular meetings are fine, but impromptu discussions may prove more productive. Similarly, group meetings may save time, but some employees may respond better to a one-on-one discussion.

To learn more about human resources issues facing your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Is Pay-Per-Click Advertising For You

Internet search advertising has been hailed as a great equalizer for small businesses. No longer limited by the size of print- and broadcast-oriented advertising budgets, a one-person company has as much chance of reaching customers as its multi-national counterparts, yet at a fraction of the cost

One of the fastest growing tactics for capitalizing on Internet searches are pay-per-click (PPC) ads, which pop up as Google or Bing results when potential customers type in keywords and phrases related to a topic. Facebook and other popular social networking sites also offer this feature, whereby you as the advertiser pay a small fee every time your ad is clicked online. The fee may be a flat amount, or one that varies depending on the expected and actual number of clicks.

The PPC approach is particularly attractive to businesses seeking to raise their profile locally, and if many other businesses offer the same service. A search using the terms “car repair” and your city is likely to generate a lot of results. But a “sponsored link” from your firm will be displayed more prominently.

The leading outlets for PPC include Google AdWords (www.google.com/adwords) and Microsoft Ad Center (bingads.microsoft.com), which supports ads on Bing and tends to be less expensive. Facebook’s advertising section (www.facebook.com/advertising) provides guidance for developing a PPC strategy to attract its users.

Don’t overlook other PPC opportunities. Most major newspapers and television stations now have strong online websites offering a variety of online advertising options. If your market isn’t geographically located, consider trade association websites and profession- or industry-specific social media sites that offer search functions to members and visitors alike.

But as with any type of advertising budget, plan carefully before you spend. Compare providers and make sure they really do reach the customers you want, and that the per-click fees actually deliver the promised value. Resource Nation (www.resourcenation.com/business/pay-per-click-ppc) provides free PPC price quotes. Be sure to consider whether the fees include additional services, such as management of your account and other features.

To learn more about marketing your small business on the Web, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Eliminate Office Clutter for Better Results

Small business owners—particularly those who work from home—are justifiably proud of what they've accomplished as entrepreneurs, but they'll rarely invite visitors into their offices. Those who are granted access to that all-important sanctum usually receive an up-front apology for the mess they're about to encounter.

Messy offices have been around since there have been offices to mess up. Even with vast volumes of data being exchanged electronically, there's still a lot of paper lying around.

A mess may not be such a bad thing for entrepreneurs who have their own systems for arranging and retrieving information. But for most people, clutter takes a toll on efficiency. Important items can easily be misplaced; the time cost for tracking them down can be compounded if you're sidetracked by something else. And if you mistakenly tossed something with no electronic counterpart—say, hand-written notes or a phone message—it could well be gone forever.

And it's not just clutter; distractions, equipment positioning, and office layouts can also clutter your work activities, further diminishing your efficiency.

There's no single solution to getting organized according to the National Association of Professional Organizers (NAPO), a group of 4,200 organizing consultants, trainers, authors and product manufacturers. With so many different personality types, work styles, and environmental influences, each person must find his/her own "ideal" system.

NAPO's online Professional Organizer Directory (www.napo.net/referral/) can help you identify a professional to handle general organizing issues, as well as those unique to specific business types (e.g., home offices, repair shops, medical clinics, etc.).

Also consider some tips from author and professional organizing consultant Carol Halsey:

- **Don't let paper pile up.** Allowing a few minutes each day to process your paperwork pays off in time saved.
- **Control how others affect your productivity.** If the constant intrusions cut your productivity, decide when you will answer your phone and when you will let others (staff, voice mail or a message recorder) answer it for you.
- **For home-based businesses, establish clear rules for how and when you may be distracted by family members.** Let them know a closed door always means "do not disturb," or "knock first." Explain that by working uninterrupted, tasks are accomplished expeditiously, and in the long run you will have more time to spend with them.

To learn more about operating your small business more efficiently, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small

business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Making the Outsourcing Option Work for Your Small Business

As your small business grows, so too do the complexities of its operation. You may well reach a point where certain functions are costing money or compromising efficiency, and diverting your attention from more critical core aspects.

These are functions that may be ripe for outsourcing—delegating to specialized providers who can perform them more efficiently for less than it costs you to keep it in-house.

While any number of business functions can be outsourced, the most common operations include administrative tasks (e.g. accounting, human resources), those with a high degree of repetition (data entry), and those requiring special expertise such as IT management or public relations. Some small businesses outsource customer service operations, inventory management, or component manufacturing as well.

As with any business decision, outsourcing requires careful consideration on your part, particularly finding qualified contractors to take on these duties. Some good sources of guidance include the Outsourcing Institute (www.outsourcing.com), a professional association for the outsourcing industry and a neutral resource for information, connections and solutions; and contractor exchange sites such as oDesk (www.odesk.com) and eLance (www.eLance.com).

Fellow entrepreneurs can also be good sources of advice and referrals for outsource contractors. But don't just take their word for it. Needs and priorities differ from one firm to another, making someone else's perfect fit less suitable to you.

As you evaluate potential candidates, make sure they have experience in your type of business, their track record, problem responsiveness and resolution, work processes, and cost structure. Pay particular attention to the last two factors to ensure the investment truly saves you money and enhances your own company's efficiency. Because communication is always critical, you'll also want to gain a comfort level with the contractor. Much of the up-front introductory work can be conducted online, but phone calls and in-person meetings will go a long way toward establishing trust and an all-important "comfort level."

And even though the idea of outsourcing is to shed responsibility, you need regular contact with the contractor regularly to get updates, ask questions or explain changes that may be coming to your business. Don't simply assume that the contractor instinctively knows everything you do about the function.

To learn more about outsourcing successfully, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Tackling Tricky Overtime Issues

Should you be paying overtime to your employees? The answer is: it depends.

Under the U.S. Fair Labor Standards Act (FLSA), employers are required to pay overtime to most hourly employees who work more than 40 hours a week for businesses that take in more than \$500,000 a year in revenue.

Just because your small business earns less doesn't mean you're off the hook, however. FLSA also applies to any business "engaged in interstate commerce, the production of goods for interstate commerce, or an activity that is closely related and directly essential to the production of such goods." But it's not a blanket rule either. FLSA applies only to jobs that involve some form of interstate commerce.

Employers can also exempt certain executive, administrative, or professional positions from overtime regulations. The employee must receive a salary or fee of at least \$455 per week, with job duties that meet specific requirements.

Defining those responsibilities can be tricky, and the U.S. Department of Labor's Wage and Hour Division (WHD) is often called upon to make judgment calls not only on the applicability of FLSA, as well as state overtime laws.

Fortunately, the WHD's website (www.wagehour.dol.gov) offers a wealth detailed information on federal requirements for overtime and other aspects of the FLSA, including minimum wages, family and medical leave and related topics critical to small business. State requirements and contacts are also listed, as well as responses to inquiries to what regulations do/do not apply in certain situations.

An attorney who specializes in human resource issues will also be a good resource for interpreting state and local overtime laws, and how they directly affect your small business.

Small business owners should also be aware of areas not covered by FLSA. They include:

- vacation, holiday, severance, or sick pay;
- meal or rest periods, holidays off, or vacations;
- premium pay for weekend or holiday work;
- pay raises or fringe benefits; or
- a discharge notice, reason for discharge, or immediate payment of final wages to terminated employees.

To learn more about small business employment issues, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers

who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

The Partnership Agreement: Don't Go Into Business Without One

Two heads are better than one, especially when trying to build a successful small business. That's why many entrepreneurs team up to launch partnerships.

Partners share both the risks and rewards of the venture, with each participant contributing money, property, labor, connections, and skills—often complementing each other's talents and resources. As a result, the whole becomes greater than the sum of its parts.

But the positive dynamics of partnerships also create the potential for problems, which can doom both the business and the personal relationships involved.

The *Wall Street Journal's* primer on partnerships stresses the importance of communication among the partners from the outset. Prospective partners should make every effort to get to know each other's talents, personality, habits, expectations, and core values. A joint sample project or off-site retreat for prospective partners and their families to get to know each other are potential options for determining whether this multi-dimensional trust is well-founded, or if a different business structure should be considered.

If the partners decide they can work together, the next step is to draft a partnership agreement. This document, which should be prepared with the assistance of an attorney, should detail how future business decisions will be made, including division of profits, resolution of disputes, changes in ownership (e.g., bringing in new partners or buying out current partners), and how to dissolve the partnership. These agreements are not required by law, but the risks of attempting a venture without one far outweigh the upfront development time and effort.

As with a business plan, the partnership agreement is a living document. Situations may arise as the business grows that aren't covered, forcing the partners to act quickly and maybe not as thoughtfully as they'd like. A partner may also receive an unexpected opportunity or be called away on personal matters, affecting how the business is run. Periodic reviews will help iron out inconsistencies and head off potential areas of conflict.

Websites such as nolo.com and various legal software programs offer partnership agreement templates, but don't assume that simply answering the questions are enough. Just as every person and every small business is different, every business relationship is unique. And as such, the partnership agreement should be tailored to meet the specific needs of the collaboration at hand,

For more information about partnerships and other ways to structure a small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Don't Allow Internet Threats to Plague Your Small Business

Disruptions to your small business IT system are not simply inconvenient; they're costly and downright dangerous. Studies have found that more than 70 percent of small businesses that experience a data breach go out of business within a year.

While there are many ways for an IT system to be compromised, many threats originate from the Internet. Plain-text emails rarely carry viruses, but inadvertently clicking an embedded link or downloading an infected file is enough to disrupt one computer and quickly spread through your network. Hackers and other unauthorized visitors can also access your system by using so-called "malware" and other methods to decipher passwords and penetrate inadequate firewalls. Clicking website links that you're not fully familiar with can also admit malware into your system.

Because computers and other IT hardware are critical to small businesses today, take steps to safeguard all components of your IT assets as quickly as possible. A good Internet firewall is a must, as is a secure, password-protected Wi-Fi system. Many types of small business-oriented antivirus and other security software are available from vendors such as Symantec (www.symantec.com). Update this software regularly, as new and mutated Internet viruses arise from around the world on an almost daily basis.

The resource website SmallBusinessComputing.com also recommends inventorying your small business's sensitive information and where it resides (e.g., individual computers, servers, or file-sharing FTP sites). This information should be kept on as few computers as possible, and segregated from other data. Various applications are also available to encrypt sensitive data, creating yet another obstacle to unauthorized access and malicious use.

Educating your staff and yourself is another data security must. Longer, mixed-character passwords are more resistant to hacking than the names of pets and family members. It's OK to write them down; just make sure they're kept in a secure location and changed on a regular basis. Also make it a policy to avoid suspicious websites, immediately discard emails with suspicious senders or subject lines without opening them, and download applications only from known and trusted sources.,

To learn more about technology issues facing your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

From Business Planning to Growth Planning

Experts agree that regular business plan reviews are essential once your small business is up and running. It's always helpful to revisit and revise your projections, and make sure the factors behind them remain accurate.

But as your business evolves, there are sure to be more influences on what you do and the customers you serve, as well as new set of unknowns surrounding the directions in which you want to expand. Merely assuming things will work out or taking a haphazard approach is even riskier now than when you started out because you have much more invested in the business.

That's why it's helpful to regularly engage in some strategic planning for your small business and define near- and long-term objectives, the strategy and tactics by which you'll pursue them, and metrics for gauging your progress. The result, known as a *growth plan*, will provide a better roadmap for tackling the future, and better position you for new opportunities.

Start by comparing the current status of your business with your original intent. Are you where you intended to be, or have you modified your mission? What are current strengths, and what areas could be improved upon? Any glaring problems or shortcomings should be addressed as quickly as possible.

Also take a comprehensive look at the state of your market, and what is shaping it. Your original expectations may be on target, or there may be emerging trends that will radically alter your industry. Needs and issues facing your existing and target customers should also be examined.

With that information in hand, project three or five years out, and set objectives that will keep your small business in step with these trends. What resources will be needed, and where can they be found (e.g., new staff, training, upgraded equipment and facilities)? What costs are involved, and what kind of learning curve may be required? Develop an action plan for each one with milestones as appropriate.

Regularly review your growth plan to assess your progress. It, like your business plan, is a guide that can be adapted as conditions change. You may find yourself ahead of schedule, or dealing with unforeseen factors that require a schedule revision or complete overhaul. But your small business can only benefit, as there's no such thing as *too much* planning.

Two helpful books on small business growth planning include *The Pumpkin Plan: A Simple Strategy to Grow a Remarkable Business in Any Field* by Mike Michalowicz, and *Strategic Planning: Fundamentals for Small Business* by Gary May. Both are widely available in bookstores and via online retailers.

For more ideas of growing your small business, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Small Business Marketing is a Multi-Faceted Effort

People often equate marketing with advertising and sales. But it's much more than that. Marketing encompasses everything your small business does to identify, attract, serve, and retain profitable customers. It also involves the added value your business brings to customers—the inherent quality of our product or service, the efficiency of your processes, even the convenience you offer via location and operating hours, or intuitiveness of your website.

That's why a marketing strategy is so critical to small business success. A marketing strategy identifies customer groups that a particular business can better serve than its target competitors, and tailors product offerings, prices, distribution, promotional efforts, and services toward those segments. Ideally, the strategy should address unmet customer needs that offer adequate potential profitability. A good strategy helps a business focus on the target markets it can serve best.

Small business owners risk a great deal by not developing a marketing strategy. According to John Jantsch, award-winning blogger and author of *Duct Tape Marketing: The World's Most Practical Small Business Marketing Guide*, “Without a strategic approach, you will never build the momentum that will take you to the next level with steady growth. Some companies try the ‘idea of the week,’ and it works for a little while, but they never gain the brand awareness that’s possible with a strategic approach.”

To craft and maintain an effective marketing strategy, Jantsch suggests talking to your customers. “They have a better sense of what makes you unique—the things that generate loyalty and referrals. Ask them what you do that they like; you may be surprised by the responses. It may well be the little things that set you apart.”

Another good idea is to build a network of strategic partners. “Surround yourself with best-of-class providers of products and services that customers need,” Jantsch says. “Recommend them to your customers and they’ll do the same for you.”

Jantsch’s website, DuctTapeMarketing.com, offers a wealth of resources and a blog for helping small businesses understand, develop, and maximize their marketing efforts. There are also free e-books, and information on other aspects of small business management.

Another great source for small business marketing expertise is SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Take a Practical Approach to Pricing

Determining the proper prices for your small business products and services is among the most perplexing issues for new small business owners. You want to be competitive, particularly in today's cost-conscious buying environment, but also cover your costs and make a reasonable profit.

Too often, says Janet Attard, author and founder of BusinessKnowHow.com, newcomers to entrepreneurship fail to account for everything running a business entails.

“Among the many costs that are easy to forget—until you have to pay them—are payroll taxes, self-employment taxes, fees for accepting credit cards, health insurance and other benefits, and a variety of overhead expenses,” Attard explains.

Rather than simply guessing or simply going by what the competition charges, every small business should develop its own pricing strategy. In addition to accounting for all costs, research the norms for your industry, including price ranges across the country if you sell nationwide. You may want to charge more or less, depending on your brand positioning. Also determine how much profit you want to make, and understand the relationship between selling price, profits, and volume of sales needed to achieve the desired profit.

Attard also recommends consulting the U.S. Small Business Administration's free guide, *Pricing Your Products*. “It does an excellent job of discussing basic price setting criteria, and includes some worksheets to help make sure you do account for all your costs,” she says.

A common tactic for many start-ups is to offer discounts early-on to lure business. Attard advises caution when considering this approach. While it can provide a new business with helps experience and portfolio-building, it can also backfire.

“Discounting can lower the perceived value of the product or service, or make the customer think you lack the experience/resources to do the job,” Attard says. “And if you underestimate costs, or overestimate the volume that will be sold, the outcome will be reduced profits or a loss.”

Periodically resurvey both your market and your pricing strategy to make sure you're still in synch with your costs. It's easy to be caught unawares by hikes for supplies or administrative costs. Consider and implement price increases judiciously. And if a large increase in your prices is necessary, be proactive about explaining the reasons to your customers. As long as you continue to provide the high level of value they've come to expect from your business, most will accept the higher cost.

For more help with pricing strategies, contact SCORE “Mentors to America's Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free,

confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Is There Life in That Old Technology?

Information technology changes and evolves so quickly today, even the most carefully planned investment in PCs and equipment can be lagging behind the times in a matter of years. That often leaves small business owners facing a big question—what to do with all this old gear?

The resource website SmallBusinessComputing.com offers these suggestions:

Sell it. Selling old gear can help offset the cost of your new system. Research the value of your equipment and set a reasonable asking price, then offer it for sale. An online auction such as eBay is another option. You may have to pay for the ad or auction, any online payment processing fees, and shipping.

Donate it. Numerous charitable organizations take and refurbish old systems for their own use, or for groups desperately in need of computer technology. If you don't know of such a charity in your area, ComputersWithCauses.org and organizations listed on Microsoft's Refurbisher Registry can help. Not only does your equipment go to a good cause, you can also deduct its un-depreciated value from your business taxes.

Upgrade it. Just because a PC isn't the latest model doesn't mean it's not still serviceable. In fact, most computers, particularly desktops, are designed to be upgraded with newer, more powerful components. One of the easiest and most cost effective upgrades for a laptop or desktop PC is to increase the memory. Doubling RAM from 2 to 4GB will dramatically increase the machine's overall performance.

Repurpose it. A computer no longer suitable for one task may still be ideal for many others. Older PCs make ideal general purpose workstations for simple tasks like printing documents, email checks, or web browsing. Another option is to convert an old PC into a Network Attached Storage (NAS) device, which can be used to easily add additional storage space to a network environment without the need to take down or open primary servers.

Recycle it. A growing number of municipalities and waste handling companies now collect PCs and other electronic devices to salvage metal and plastic components, as well as the trace, yet still valuable and occasionally hazardous materials they contain. The U.S. Environmental Protection Agency's website (www.epa.gov) and Earth911.com can help you locate nearby recyclers. Note that some may charge fees for pick-up and processing.

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Make Saving Money a Routine Part of Doing Business

Many customers turn to small businesses to get the same or greater value than what larger competitors offer, but at a lower price. There's no reason why you as a small business owner shouldn't take the same approach with your routine purchases.

Paying a little more out of habit or because you've always bought that particular product may make life more convenient, but those added expenses can quickly accumulate and erode your profit margin. You owe it to your customers and yourself to continually look for ways to cut costs without compromising quality. You can certain that your competitors are doing it.

Some cost-saving steps are relatively easy to implement. Others may require a little ongoing research, but can easily become second-nature. Here are some suggestions to get started:

Capitalize on commodities. Most of the leading office supply chains offer a wide range of store brand products at reduced prices. That also applies to services. FedEx and Office Depot, for example, provide assistance with printing, shipping, design, and other support to its small business customers who, in turn, earn discounts and rewards points.

Pare down paper. Most routine documents can be saved electronically for transfer, emailing, or storage. Hardcopies are still necessary, of course, but examining your processes may reveal opportunities to eliminate the number of original printings and copies. And the single-sided documents you do generate can be repurposed for note-taking before going into recycling.

Speaking of recycling... Consider purchasing used furnishings and equipment rather than the latest and greatest products. An Internet search will likely reveal several companies that specialize in refurbished furniture and technology that will suit your long-term needs. Also look for companies that offer recycled printer cartridges, which perform just as well as those in mint condition.

Be a joiner. Many professional organizations partner with business service providers to give their members discounted prices on goods and services. This is a particularly helpful benefit for frequent travelers.

Be a smart shopper, even with regular suppliers. Don't keep paying for things you no longer need. Annual reviews of your vendor and consultant relationships may reveal opportunities to lower costs and restructure purchasing arrangements.

For more money saving ideas for your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business

owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Thrive and Survive Seasonal Sales Cycles Through Good Planning

Some small businesses owners live for “Black Friday” in November, the time when holiday shopping shifts into high gear. Others count the weeks to Memorial Day, when the promise of summer will have families and other vacationers on the go.

Small businesses dependent on seasonal sales cycles know well the implications of their inherent “feast or famine” environment. The high times, though hectic, are also highly profitable. Slow periods, however, can compound the stress of surviving until the next sales uptick. But these businesses also have the advantage of planning ahead to better manage the good and not-so-good sides of the cycle.

As finances are critical any time of the year, a conservative approach to budgeting will provide an extra measure of safety in the event your busy season results fall short of expectations. Create a special cash reserve account dedicated for off-season expenses, and make minimum contributions on a weekly basis. (If you can contribute more, all the better.) Many banks offer automatic transfers between accounts to do this function for you. It may also be helpful to have a financial plan in place for a “worst-case” scenario.

If you do see the need for additional financing to bridge off-season cash flow fall-offs, consider CAPLines, a special SBA-backed short-term loan program designed to help qualified small businesses meet short-term and cyclical working capital needs such as financing specific contracts, purchasing inventory, property construction or rehabilitation, and short-term working capital. Details on CAPLine programs are available at www.sba.gov/content/caplines.

Seasonal business owners also typically expect to make up for the long hours when the sales cycle wanes. But don’t allow these stresses to take a toll on your physical and mental health. Hiring temporary workers is a good way to avoid burnout and ensure top-quality customer service. Also have a plan for managing your time as things wind down, and to ramp up in advance of the next cycle.

And though seasons come and go, don’t assume your customers will too. Keep in touch with them throughout the year with well-timed e-mail newsletters or ads, or a blog. They may not be ready to buy December holiday gifts in May or make beach restaurant reservations in November, but keeping them abreast of new product or menu offerings, facility improvements, or just a note to say hi will keep your business uppermost in their minds when it is time to spend seasonal dollars.

To learn more about operating a seasonal business, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

To Achieve Success, Plan to Avoid Failure

Starting a new business carries an inherent degree of risk, but statistics show that the odds of survival are definitely in the start-up's favor. According to the U.S. Small Business Administration, 70 percent of new employer establishments survive the first two years, and 51 percent are still going after five years.

Though no formula guarantees small business success, there are many things an aspiring entrepreneur can do to improve his or her chances of long-term prosperity. Most revolve around planning—something no entrepreneur can do enough of. The more you know up front, the less likely you are to make the same mistakes that typically doom other new business. And, you're better positioned to adjust to unexpected events or trends that can send an otherwise well-run enterprise into a sudden tailspin.

Some key areas that should be thoroughly researched include market demographics and demand for a particular product or service, marketing channels and visibility (i.e., how you'll reach those prospective buyers), competition and pricing, direct and indirect costs (including overhead items such as rent and insurance), financing availability and repayment requirements, and location issues.

You also need to chart a plan for growth. As noted in the statistics above, a promising start-up doesn't always sustain its early momentum. It's one thing to reach a comfort level where everything seems to be firing on all cylinders, but what happens when a new competitor arrives on the scene or costs go up?

Finally, look at your most important asset—you. Is operating a small business really what you want to do? And do you have all the skills and resources to do it? Poor management is a major reason for small business failure, whether it's keeping the books or leading employees. There are several alternatives for addressing areas in need of improvement—self-education, a partnership, outsourcing, etc. Which one best fits your personality, skill level, and type of business?

And consider how operating a small business will affect your personal relationships. Entrepreneurship is an exciting and rewarding experience, but it requires commitment, objectivity, and balance with other facets of your life. Burnout from success or frustration from setbacks can have the same negative physical and emotional consequences.

To learn more about building your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

There Are No Short-Cuts in Launching an Online Business

The mantra “location, location, location” still holds for small business success. Only today, a “location” on the Internet is often the only address needed to start and grow a successful small business.

Indeed, many service businesses exist entirely in cyberspace, with a home office being the sole “brick and mortar” support facility. Small businesses that make and sell products can base their operations in low-cost locations, rather than paying the higher costs of more visible and customer-accessible facilities.

But while the Internet streamlines some facets of small business ownership, many things remain the same. For example, you still need to follow all the necessary research, planning, legal, and other preparatory steps involved with starting any kind of business. And while the overhead costs of an online business may be lower, you may still need financing to cover certain finance costs.

These and other considerations make a business plan as important for an online start-up as it is for its brick-and-mortar counterpart. And given the dynamic nature of the online world, it may well be even more critical to cyber-businesses.

If you plan to engage in e-commerce, you’ll need to consider the technical aspects of online marketing—Web hosting, secure order processing (including credit cards), fulfillment, customer support, etc.

And, of course, you’ll need to select and register an Internet domain name. Services such as Network Solutions, Yahoo Small Business, and GoDaddy.com make this process fast and simple. They can also help with other online business needs such as website design and hosting, email service, and more.

Then there’s the matter of alerting and attracting customers. As with every other type of business today, search engine optimization (SEO) is critical. Make sure your web content contains keywords and phrases that prospective customers are likely to use so that you’ll be more likely to rank higher in the search results. The website SearchEngineWatch.com offers a wealth of information on SEO strategies, as well as the latest news and trends regarding this all-important form of marketing.

Other resources offering tools, information, and other potentially helpful elements for your online marketing strategy include ConstantContact.com, Microsoft’s Small Business Center, and Google AdWords.

To learn more about establishing your small business, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who

provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Good Planning & Practices Are the Key to Good Sales Performance

No business will succeed without generating sales. It's one of the critical functions that most every business shares, regardless of its size, where it's located, and what it does.

Yet it's also a function that many entrepreneurs don't fully understand when laying the groundwork for their small business, or a function they consider once it's up and running. Mike Michalowicz author of *The Toilet Paper Entrepreneur* and *The Pumpkin Plan*, says that, "entrepreneurs are often in 'panic mode.' They go after everyone rather than pursue a consistent customer profile. They don't ask the right questions because they don't know what those questions are."

Michalowicz goes on to say that like every component of business, sales are systemizable. "The groundwork for that system is filtering," he says. "Look for information and characteristics that differentiate good customers from less attractive ones. As you develop the questions, you can develop the system for sales."

A key element is to continually gather information about your customers, particularly the issues that are important to them. And your customers are the best source of these insights. Speak with them regularly about their needs, wants, and expectations. "Customers will share these things with you," Michalowicz says. "And if you ask frequently enough, you'll find these are the same issues prospective customers are facing. So you can apply responses across the board."

Michalowicz also advises concentrating on the best customers you have, or want to have. "See what factors make them appealing, and prepare for them," he says. "Companies that assess the practices of their worst customers often end up attracting more of them."

A positive attitude is always important for you and everyone who interacts with customers, whether it's in person, over the phone, or online. Everyone needs to listen when interacting with a customer, especially if a customer has what seems to be an emergency or extraordinary need. If you can help, great. If not, recommend possible other sources who can, even if they're competitors.

Either way, customers will see you not as just a source of products or services, but a resource for solving problems. And because they're your best source of referrals, they'll tell their colleagues about you.

To learn more about sales and marketing issues facing your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Knowledge is Power, Especially When It Comes to Taxes

There are a lot of difficult and not-always-enjoyable aspects to operating a small business. But the more you know about them, the less intimidating they become. They may not become any more pleasant, but at least you're better able to successfully resolve them and get back to the many, far more enjoyable parts of being an entrepreneur.

A good example is paying taxes. Every small business is subject to federal, state, and sometimes local taxes. And it's not something you can simply put off until April 15, along with your personal taxes. Many small businesses pay estimated taxes four times a year, based on the income received during certain periods. If you have employees, you need to pay taxes on their wages and make the appropriate withholdings for Social Security and Medicare.

But as you learn more about small business taxes, you'll find that managing them can be no more onerous than other routine administrative tasks. And a great source of information is the Internal Revenue Service's Small Business and Self-Employed Tax Center (www.irs.gov/smallbiz).

There, you'll find everything you need to know about small business taxes. The "Starting, Operating, or Closing a Business" section, for example, provides information on tax requirements for the various stages of a business's life cycle, while the "Deducting Expenses" section guides you in determining what does and doesn't qualify as a business expense.

You'll also find sections dedicated to self-employed individuals and businesses with employees, an A-to-Z topic index, and links to downloadable IRS small business forms and publications. And, you'll find the latest news on tax issues that can affect small businesses, plus a detailed explanation of tax provisions related to the new Affordable Care Act.

The U.S. Small Business Administration (www.sba.gov) is another good online source for tax help, including determining state and local tax obligations. You'll also find links to tax departments, business registration agencies, and related resources in every U.S. state and territory.

Even with so much tax information at your fingertips, it may still be a good idea to consult with an accountant or tax attorney on specific issues. You may also consider outsourcing taxes and other accounting duties to a qualified accountant, putting this all-important requirement in the hands of an expert.

To learn more about tax matters facing your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Time for a Change in Your Time Management Practices

“If only I had more time....”

That’s a common lament among small business owners. And no wonder. With so many responsibilities associated with running and growing a successful enterprise, plus professional and personal commitments, 24 hours in a day just doesn’t seem enough sometimes.

Good time management is obviously important to getting everything done. But it’s also vital to your physical health. Repeated stretches of long hours takes a toll on your body, and makes you more vulnerable to illness. Your efficiency and focus are also compromised so that the more you do, the less you really get done.

Author and self-employment expert Janet Attard offers these tips for making the most of your time.

Don’t do it all. Even if your business relies on some unique skill or talent only you possess, there will still be things you routinely spend time on that someone else could do or be taught to do. You can work less and spend more time growing your business by delegating or outsourcing work to someone else.

Keep a weekly time log. Write down each task you do, noting start and stop times. At the end of the week, analyze the log. Make a list of each activity you performed, how long it took, and how often you got interrupted. Your analysis will help you spot specific tasks that could be delegated, and identify the leading time-wasting activities in your week.

Limit daily email checks. Stopping to read email every five or ten minutes distracts you from other activities and wastes time. For most business owners there shouldn’t be any email so important that it can’t wait for three or four hours to be read and answered (if a response is even needed.) Set a specific time (and time limit) for reading email, and stick to it.

Reduce interruptions. Use caller ID and voicemail to screen calls, and set a specific time in the day to check and return them. If you have employees, designate one to handle all incoming calls. Also have employees save up their questions and bring them to you all at once at a set time in the day.

Manage customer expectations. Let your customers know what your hours of operation are, when they can expect to receive their order, or how long their project should take to complete. Provide this information on your website, in your sales literature, in contracts or letters of agreement, or when orders are taken on the phone or in person.

To learn more about time management issues facing your small business, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than

12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Lifelong Learning Leads to Small Business Success

President Harry Truman once said, “The only things worth learning are the things you learn after you know it all.” In other words, we should never stop trying to discover something new, whether it’s information to make a decision or an improvement in the way we do things.

The same principle holds true for entrepreneurs. There are so many elements to running a small business—marketing, accounting, human resources, finance, plus actually doing the work—that few people start out with a firm grasp on them all. More often, we know a little about some things, but less about others. Some skills and insights can be picked up with time and experience; others may not be learned until it’s too late.

Fortunately, there are many ways small business owners can learn and hone the various skills they may need. And many of them can be accessed conveniently anytime, anywhere.

One of the most popular resources is the U.S. Small Business Administration’s Small Business Learning Center (www.sba.gov/sba-learning-center). This virtual campus contains free training courses, workshops and knowledge resources on a wide range of topics, from getting financing to special issues such as post-disaster assistance. Chat sessions with small business experts and fellow entrepreneurs probe deeper into these topics, addressing specific situations and needs.

The Small Business Learning Center also connects you with SBA offices, Small Business Development Centers, and related training and assistance resources in your area. Many offer on-site training and continuing education programs ranging from breakfast talks on local economic conditions, to brown-bag networking lunches, loan seminars, startup workshops, and free business assessments. Not only are these events educational, they’re also great opportunities to network with other entrepreneurs and experts who can benefit your business.

Also visit the website of your local university or community college for business-oriented seminars and training courses. Websites such as www.collegesurfing.com and www.elearners.com provide quick, easy-to-use directories of online and on-site courses aimed at current and aspiring entrepreneurs.

To learn more about training opportunities your small business, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Temporary Staffing Can Bridge Your Workforce Gaps

Do you expect seasonal or similar short-term bursts of activity for your small business? Or perhaps you're seeing the first tentative signs of what could well be the start of a long-term growth trend. Maybe there's a single large task or project that needs to be done by a certain date, and your employees are already busy with other tasks.

These scenarios are typically good news for a small business. But they also have the potential of straining your labor resources beyond the breaking point. Even the most productive workers have their limits, and stressing them could well compromise their normal efficiency, not to mention your own.

Fortunately, there's a proven human resources alternative that can provide the needed agility to meet any challenge—temporary workers.

“Temps” aren't simply placeholders for other employees when they're sick or on vacation. They're highly skilled and talented individuals who prefer the variety and flexibility of temporary and contract employment to a full-time job.

According to the American Staffing Association (ASA), 12.9 million temporary and contract employees are hired by U.S. staffing firms over the course of a year. Nearly 80 percent of staffing employees work full time, virtually the same as the rest of the work force.

What's more, these employees are continually staying abreast of the latest business related trends, tasks, and technologies. ASA reports that 90 percent of staffing companies provide free training to their temporary and contract employees. And 65 percent of those employees say they developed new or improved work skills through their assignments.

Temporary workers can also bring a fresh perspective to their assignments, drawing on what they've experienced in other settings—perhaps companies facing the same kinds of issues as yours.

The “Staffing Smarts” section of ASA's website (www.americanstaffing.net) can help you locate temporary staffing firms in your area, some of which offer specialized help for specific industries. You'll also find guidance on choosing a staffing firm, laws and regulations governing employer-temp relationships, and other valuable information.

Other leading, nationwide firms offering temporary staffing solutions for small businesses include Kelly Services (KellyServices.com), Manpower, Inc. (www.manpower.com), and Olsten Staffing Services (www.olsten.com).

To learn more about human resources issues facing your small business, contact SCORE “Mentors to America's Small Business.” SCORE is a nonprofit organization of more than

12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

What's a Small Business Worth?

At first glance, this may sound like a difficult and infrequent question to answer. But it's an important one if you're considering taking on a partner, issuing stock, or selling the enterprise. If you're in the market to buy an existing small business, you want to know exactly what you're paying for, and how that value was determined.

There may be other situations where establishing the value of a business may be important. You may be considering spinning off part of your current business, or dealing with a dispute or litigation. Business value also figures in divorce proceedings and other cases where the value of one's assets is factor.

An accurate, up-to-date financial statement is only the first step in setting the value of a business. One must thoroughly analyze the past several years of business operations, and make an informed projection about the future—how will that industry and economy unfold, and how will the company compete.

Most people look to the Fair Market Value of a business, defined by the Internal Revenue Service as “the price at which the property would change hands between a willing buyer and willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts.”

However, there are several ways to determine a fair and equitable price for the sale of the business. Among them:

- **Capitalized Earning Approach.** This is the return on the investment expected by an investor.
- **Excess Earning Method.** Similar to the Capitalized Earning, except that return on assets is split from other earnings.
- **Cash Flow Method.** A method usually used when attempting to determine how much of a loan the cash flow of the business will support.
- **Tangible Assets (Balance Sheet) Method.** This method values the business by the tangible assets.
- **Value of Specific Intangible Assets Method.** This method is based upon the buyer's desire to purchase an intangible asset versus creating it. It also considers the value of the business's goodwill.

Unsure which one to use? That's why professional assistance is especially valuable when dealing with business valuation issues. The National Association of Certified Valuation Analysts (www.nacva.com) offers a free directory to help you find a business valuation expert who specializes in your particular situation.

To learn more about valuing your small business, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Virtual Business Owners Can Stay Connected to the Real World

In today's wired world, a laptop, smartphone, and Internet access are sometimes all it takes to run a successful small business. (That's in addition to your good idea and solid business plan, of course.)

This unprecedented flexibility has given thousands of entrepreneurs the ability to serve customers anytime, anywhere. Not only do they enjoy the benefits of a less constricted work schedule, they can complement their skills and experience with lower overhead and greater efficiency, creating a competitive edge that's sometimes hard to beat.

But amid this new kind of "virtual reality," these kinds of small businesses must still interact with the conventional business world on multiple levels. For example, certain customers may prefer or even insist on speaking with a "real person" rather than simply leaving a voicemail and waiting for you to call back. Suppliers or project collaborators may have varying levels of technological capabilities, or lack the electronic infrastructure to work virtually.

Fortunately, the growth of Internet-based interaction has also given rise to a host of convenient, affordable, and easy-to-use services that provide the "brick and mortar" resources a virtual small business owner needs on demand.

For example, Regus (www.regus.com) provides short-term office and work space, plus fully-equipped meeting rooms at its worldwide network of business centers. Regus also offers a full range of virtual office services, including a staff to answer phones and collect mail.

Other options for virtual offices are Davinci (www.davincivirtual.com) and Alliance (www.alliancevirtualoffices.com). Many local and regional companies also provide virtual offices, as well as technology and other support services.

If web conferencing or teleconferencing is all you need to bring your business partners or clients together, there are many options here as well. FreeConference.com offers both no-cost and fee-based services depending on the scope and volume of the user's needs. There's also GorillaConferencing.com, InterCall.com, and AT&T's Conferencing services (www.att.com/business/enterprise).

And because it's not practical for a virtual entrepreneur to lug printers, scanners and copiers around, worldwide chains such as FedEx Office (www.fedex.com/office), Office Depot (www.officedepot), and Staples (www.staples.com) are available to prepare documents, presentations, display boards, and other materials.

Whether you operate virtually or in the bricks-and-mortar world, the small business experts at SCORE "Mentors to America's Small Business" can help. SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training

workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Pass It On: Word-of-Mouth Advertising Works for Small Business

The most powerful form of advertising is also the oldest: word-of-mouth. That's because though the topic may be you and your small business, the source is an individual—a customer, colleague, business acquaintance, even a total stranger—who passes along that information to his/her network, lending it an important dimension of credibility and trust.

While word of mouth itself is a highly organic, low-cost form of advertising, it begins with you, the small business owner, and what you do to generate it. Though it is possible for this kind of “buzz” to take flight spontaneously, word-of-mouth is typically the result of planning and effort. In other words, you have to give people something to talk about, and take steps to make sure they know about it.

One of the easiest ways to generate word-of-mouth is a no-brainer—do a good job for your customers. When you provide exceptional service, particularly if it helps solve a problem, they're going to feel good about you and what you do. But you do you need to encourage them to spread the word and refer others to your business. Many people will be more than happy to do that on their own, but providing an incentive such as a discount for every new customer they refer may also help.

Networking among business and professional groups is another easy way to stimulate word-of-mouth. But avoid the hard-sell. Before you start shaking hands and handing out business cards, think about some of the questions people may ask about you and your business and prepare some brief, to-the-point responses. The so-called 30-second “elevator speech” is a good start, but apply the concept to other areas—your background and experience, the types of customers you've worked with, and so forth. And also be ready to ask the same kinds of questions to the people you meet, and take a genuine interest in them and what they do.

Donating your products or services to local charities can generate goodwill and get your name around the community, while a careful plan of introductory discounts or free samples can also get people talking.

Blogs, Facebook fan pages, and other social media outlets are also good venues for building visibility. The key is to focus on topics of interest to your prospective customers, e.g., how they'll be affected by emerging trends, tips for handling certain issues, or how you helped a customer address a unique issue. As long as focus is on sharing useful information, customers will see you as an expert, and encourage others to find out what you have to offer.

To learn more about marketing your small business, contact SCORE “Mentors to America's Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

You're Never Too Old to Try Something New

Turning age 50 or 60 used to imply that the time had come to start slowing down. No longer. A growing number of “Golden Agers” are embarking on new careers—as entrepreneurs.

According to the U.S. Bureau of Labor Statistics, people age 65 and older make up the biggest percentage of self-employed workers. Those aged 55-64 are close second. Some start businesses after retirement to fulfill long-held dreams, or do something with their newfound free time. Others see owning a small business as a way to supplement their income, particularly if current savings fall short of what will be needed as they get older.

Regardless of their age, motivation, or inclination, many seniors find operating a small business to be the most rewarding thing they've ever attempted. But though they may be able to bring experience, resources, and time to their start-ups, seniors often find themselves in need of the same kind of information and assistance as their younger counterparts.

The good news is that help is readily available. The U.S. Small Business Administration and AARP have joined forces to assist would-be senior entrepreneurs seeking information on how to start and fund a venture. The SBA provides self-employment section of AARP's website (www.aarp.org/work/self-employment/) with more than 30 online training courses to support entrepreneurs as they start and grow small businesses.

AARP's site also include links to the SBA Direct (www.sba.gov/sba-direct) website, a shortcut to community-based business Mentors; columns and webinars on timely entrepreneurship topics from a wide range of experts; and practical tips on everything from working at home to making hiring decisions.

Mature Resources (www.matureresources.org), an e-zine covering a wide range of issues related to aging, contains a business section with articles specifically tailored to over-50 entrepreneurs, as well as a business directory.

Another helpful resource is SeniorEntrepreneurshipWorks.org, a non-profit organization that provides online education, training, news, and other resources. The website's blog, SavvySeniorsWork.com explores the frequent questions and situations seniors encounter as they start or build their businesses.

Because there's nothing like a good book, consider *The Lemonade Stand on the Corner* by Victor Benoun; *Second Careers: New Ways to Work After 50* by Caroline Bird; and *Business Begins at 50 Part 1, Your Opportunity Thrive* by Malcolm Gallagher and Alan Bell.

Entrepreneurs of any age can profit from experience, which is why they should contact SCORE “Mentors to America's Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training

workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Not Getting Paid? A Collections Agency May Be the Answer

You've done everything you can to get that customer to pay—phone calls, letters, offers to accept partial payment. And still nothing. It may well be time to turn this problem account over to a collection agency.

Collectors don't use the brash, strong-arm methods often portrayed in movies. They are professionals who use their vast knowledge of collection techniques and compliance issues to help clients resolve payment issues. Collectors must comply with the Fair Debt Collections Practices Act (FDCPA), which sets boundaries for tactics and methods. And because they're experts, collectors have a better chance of success, saving you time and effort in the process.

Collection Agency Research (CollectionAgencyResearch.com), a leading resource on debt collection companies, can connect you with qualified collection agencies in your area. To determine which one to hire, consider these factors:

- *Overall success rate.* This is actually more important than the amount of money an agency collects. If a collection agency retrieves a greater percentage of total past-due accounts, it will mean more money for your business. That may require a higher fee, of course, but you will receive more money over time versus a less successful agency with lower fees.
- *Industry focused.* You want an agent that specializes in businesses like yours. Because they understand how to work with that industry, they may have a higher success rate pursuing those types of debts.
- *Two-way communication.* The exchange of key information is important before, during, and after the collection process. Find out how detailed their reporting is for the collections results, how you receive payment upon collection, and other information you have to make their job easier.
- *Trial and error.* When you meet with several collection agencies, give each of them a few delinquent accounts and see how they perform. Judge them based on how they work with clients, the amount collected, and how quickly they remit payment. You can then select the best service.
- *Observe the process.* See how they conduct business. Ask to view a sample collection letter to see what they send to clients. If the agency's offices are nearby, arrange to visit them in person and sit in on a few collection calls to learn firsthand how they do business.
- *Licensed and bonded.* Make sure every business collection agency under consideration is officially licensed and bonded by the state they work in, and carry Errors and Omissions Liability insurance.

For more assistance with collections and credit policies, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business

owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Today's Customer Service Today Is the Key to Tomorrow's Growth

Customer service is one of the most important ways a small business can distinguish itself from competitors. You have the unique opportunity to connect directly with your customers, furnish the products or services that meet their needs, help them with problems, and follow up after the sale. This generates more than just sales; it also creates relationships that will not only keep those customers coming back, but also lead to referrals and new business.

But just what is considered “outstanding customer service” today? Microsoft Business contributor Jeff Wuorio says it's something each company needs to find out for itself.

“Knowing what exceptional service entails is essential to establishing the procedures and the mindset with which to achieve it,” Wuorio writes. “So, delineate what extraordinary means—is it lower price? Keeping appointments on time, or making certain that telephone service reps always say ‘please’ and ‘thank you’? By knowing precisely what is merely good enough—and what takes your business beyond that—you get a firm handle on what you need to do to hit that goal on a consistent basis.”

To determine the elements of extraordinary service, Wuorio says some legwork is in order. “Conduct focus groups with customers to see what they really value,” he writes. “Ask your complaint department, if you have one, to identify topics that are frequent targets of dissatisfaction. Often, you may find extraordinary translates to a holistic grouping of issues, not just one product or service.”

Indeed, customer service is not just about doing everything right, but also responding quickly when things go wrong. These are often the experiences customers share with their colleagues via word of mouth, and with the rest of the world on rating consumer rating sites such as Yelp.com and StellaService.com

“The road to topnotch service is not without its bumps,” Wuorio observes. “Don't pretend they're not there. Rather, make them a part of the journey by acknowledging a slip-up and, in so doing, recommitting to extraordinary performance. For example, if a customer receives the wrong item, don't stop at making sure they get the right one. Let the customer know that you're sorry for the mistake and build their confidence that it won't happen again.”

The best tactic for gaining a competitive edge with customers is to contact SCORE “Mentors to America's Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Secure Your Database from Information Leaks

Today's world revolves around data. Yet, small business owners often don't take the necessary steps to protect it from theft and misuse. They either assume their current system of firewalls and passwords is enough to prevent a breach, or simply cross their fingers and hope nothing happens. And when owners do recognize the need to step up their security efforts, they're not always sure where to start.

Data Security—Made Simpler, developed by the Better Business Bureau (BBB) in partnership with Visa Inc., Symantec Corporation, and Kroll's Fraud Solutions, can go a long way toward answering those questions. Available at www.bbb.org/data-security, *Data Security—Made Simpler* includes turnkey guidance to help small business owners identify electronic and paper-based data loss vulnerability points; develop a data security policy that protects sensitive data, ensures its availability, and restricts access; and identify and deploy the right kind of tools to protect sensitive data, based on its type of business.

The program also provides help with communicating data protection policies to customers as a strategy to strengthen the business-customer trust relationship, helping differentiate a company from competitors. There's also help for taking action should you believe a data compromise has taken place.

The rise of social media has created a new arena of potential security issues for small business owners, as exemplified by the June 2012 breach of more than six million user passwords from the LinkedIn networking site.

Writing in the *Washington Post*, privacy and trust strategist John Sileo offered these steps to help safeguard your data from outside attacks via social media sites:

- Change your passwords regularly, and use a mix of letters, numbers, and characters.
- Don't use the same password on multiple sites.
- Don't automatically click on URL links.
- Don't post sensitive or confidential business information that you don't want shared.
- Educate employees about data security, and encourage wise use of social media.

Sileo also recommends considering the use of a fraud and identity protection service such as EZShield Business Identity Restoration, offered by Deluxe Security Solutions. "Restoration services minimize the devastating effects of fraud or identity theft by significantly reducing recovery time," he writes. "In other words, you focus on your business while experts resolve your breach."

To learn more about safeguarding your small business's physical and electronic assets, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training

workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Insurance is Essential for Home-Based Businesses

More than 43 million Americans operate full- or part-time businesses from their homes, and more are on the way as technology gradually reduces the need for and/or size of separate facilities for many types of enterprises. Along with shedding leases, commuting, and other costs of “conventional” business operations, many home-based entrepreneurs also assume their homeowner’s insurance policy provides the protection they need.

This is not always true. According to the Independent Insurance Agents and Brokers of America, Inc., homeowner’s policies were never intended to cover business exposures. Typically, these policies limit coverage for items used in a business (e.g., computers, fax machines, filing cabinets, tools and inventory, etc.) to \$2,500 in your home and \$250 away from home.

What’s more, a homeowners policy provides no liability insurance for your home-based business, nor does it provide business interruption protection in the event that fire, major storm, or other situation causes a your business to cease operations temporarily or permanently.

Fortunately, home-based businesses have several options for bridging insurance gaps. They include:

- *Incidental Business Endorsement.* Depending on your business, you may be able to attach this endorsement to your existing homeowner’s policy to cover on-premises structures or equipment that you use for business. This endorsement can also be tailored to include business liability.
- *Business Owners Package Policy.* If your in-home business does not qualify for an incidental business endorsement, you can purchase coverage under a business owner’s package policy (BOP), which provides property and liability coverage.
- *In-Home Business Owners Policy.* Some insurance companies offer policies that combine homeowners and business owner’s coverage into a single policy that provides both business coverage (business liability, replacement of lost income) and homeowner’s coverage for fire, theft, and personal liability. These policies eliminate gaps and duplications in coverage, and the rates reflect the in-home status of your business.
- *Vehicle Policy.* If you have a personal vehicle that’s sometimes used for business or if your in-home business is the owner of one or more vehicles, you may need to purchase a Personal or Commercial Automobile Policy.

An independent insurance agent can help identify risk areas and provide guidance for finding the appropriate coverage to protect your business, as well as you and your family. More information is available at www.independentagent.com or www.TrustedChoice.com.

Regardless of where you operate your business, you'll find a wealth of experience and insights at SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Don't Take the "Free Money" Myth for Granted

The best things in life are free. Government money for financing a small business start-up is not.

Though you may see ads on TV or the Web touting the availability of "free" money from the federal government to help you realize your entrepreneurial dreams, the truth is that *no* government agency offers grants to start or expand small businesses.

Now, there are federal agencies that do award grants to established small businesses to perform various mandated services or programs. According to grants.gov, the federal government's central storehouse of information on its more than 1,000 grant programs, businesses eligible for these kinds of grants must meet certain size and revenue requirements (i.e., fewer than 100 employees for wholesale trade industries, less than \$6 million for most retail and service industries; less than \$12 million for all special trade contractors).

A search on Grants.gov will identify what opportunities are available, and the required expertise or resources.

You won't find "free money" from local, regional, and state economic development agencies either. What they often offer small businesses, however, is the next best thing—assistance with start-up workspace or production facilities, training, administrative support, tax breaks, loan guarantees, and other incentives. Some agencies also sponsor micro-loan programs for specific business types such as childcare, and firms that locate in or support designated enterprise zones.

The U.S. Small Business Administration provides links to major state economic development agencies at www.sba.gov/content/economic-development-agencies. Your local Small Business Development Center will also have information about programs in your area.

In recent years, many private-sector corporations and non-profit groups have teamed up to provide grants to entrepreneurs with promising small business ideas. Intuit's Love a Local Business grant competition (www.loveourlocalbusiness.com/) has given more than \$1.1 million to winning small businesses. The Amber Grant program (www.womensnet.net/AmberGrants) offers small \$500-\$1,000 grants to qualified woman-owned start-ups.

A good way to stay abreast of these and similar programs is the Foundation Center (www.foundationcenter.org). For a nominal fee, subscribers can access the Foundation's directory of more than 95,000 grant makers in the U.S.

For more assistance with creating a financing strategy for your new or growing small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training

workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Business Planning: Are You Ready for What's Next?

Nowhere is the adage, “the only constant in life is change,” more true than in small business. Regardless of what things were like when you began serving customers, it's quite likely that conditions have changed. The economy may have shifted, new competitors may have arrived on the scene, or your mix of marketing tools may no longer be optimal.

What's more, *you* have changed. You've gained knowledge and experience that only comes with running a business. But there's always something more you can learn.

That's why small business owners should be constantly in planning mode—taking stock of their businesses, the environments in which they operate, and the trends that are influencing what their customers want. Here are some tips to help keep your small business on track for long-term growth:

Revisit your business plan. Your business plan is a “living document” that should be updated as needed with new or modified contingencies, and adjusted timeframes for key milestones such as expansions or new product/service lines. Though a yearly review is standard, retired technology industry executive and SCORE mentor Mark Lowenstein recommends more frequent assessments for new businesses. “If you're still feeling your way through, you want to see if you're on the right track, and how well things are working,” he explains.

Watch those numbers. “If you are not evaluating your financials and something is wrong, it may be too late to fix it,” observes small business consultant Carol Roth, author of *The Entrepreneur Equation*. She adds that financials can tell you much more than whether or not you're making money. “They can tell you if you need more diversity in your customers and which products contribute the most profit margin.”

Watch your industry. In today's interconnected global economy, any change anywhere can have a ripple effect on any small business. Stay current with world and community events; study your sales records; and communicate with customers, suppliers, and colleagues. Local business groups and professional and trade organizations are a great way to stay in touch.

Watch yourself. Make sure you're mentally prepared and focused to handle the challenges and opportunities that come with growing a small business. “Business is not about having a fantastic idea; it's about consistency of execution over a long period of time,” Roth says. “While it's natural to be exuberant about a new endeavor, you also need the stamina and resources to carry on over the long haul.”

An experienced, outside perspective can benefit any small business, which makes it a good idea to contact SCORE “Mentors to America's Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Tell Them About It With a Good News Release

Want to share some news about your small business? Consider issuing a news release. Formatted like a news story, a news release is designed to publicize an accomplishment, announce an event or a new service, introduce new products or services, or share helpful information that readers can use.

News outlets may reproduce the news release as is (or with some editing), or follow up with a longer story. And the best news for the small business owner is that the publicity is typically free of charge, unlike paid advertising.

If your goal is to get the attention of local newspapers or broadcast stations, ask how they prefer to receive news releases—regular mail, faxes, or email. For broader distribution, the emergence of online marketing has opened the door to a wide range of publicity channels. Pay services such as PRweb.com, PRnewswire.com, and Marketwire.com are among the most popular, though there are also free distribution services such as PRlog.com. You can also post your own news releases on your small business website.

The key to success in attracting interest to your online news release is the same as for any kind of digital marketing—search engine optimization (SEO). The content should contain keywords and phrases that Web users are likely to use when looking for information about a business such as yours. Locating them in the title and initial paragraphs will further increase the chances of the release being spotted by search engines, and capturing the attention of readers.

Similarly, a poorly organized news release will likely be ignored, and may have a negative effect on your company's image. Though it may be worthwhile to hire a professional writer, several free tools are now available to help you craft press releases. Using Yahoo! Small Business's Press Release Wizard or Instant Press Release, you simply fill in the information and technology does the rest. Be sure to review the generated release to ensure clarity and accurate spelling, and edit accordingly.

Some other rules of news release content are as important as ever—be brief, avoid specialized jargon, and focus on why the news is important to readers. The more value you incorporate in your content, the more likely your news release will generate the reader response and interest you're looking for.

You can get more help with generating publicity for your small business at SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Take Control of Your Start-Up With Self-Financing

Self-financing is the most widely used source of small business capital. Savings, home equity, and/or borrowing against cash-value life insurance can provide the necessary up-front investment. They can also help you acquire equipment and supplies or help pay bills when during periods of slow cash flow.

These sources may be entirely under your control, but they should be used wisely. Make sure you have a realistic plan to meet your existing obligations (e.g., mortgage, utility bills, vehicle payments, insurance, and daily living expenses), and consider “worst-case” scenarios that could overwhelm whatever financial cushion you have left.

If your personal resources don’t go far enough to cover your start-up costs, consider turning to friends and family members. As with any business relationship, it’s essential that contributors clearly understand how the funds are to be used; the repayment terms and amount of interest, if applicable; and what role, if any, they will play in operating the business. A handshake is never enough; put everything in writing and have all parties agree to the terms.

Afterward, keep your investors on how your business is progressing. This may make it easier to seek additional financing, or renegotiate your payment terms.

David Solis, National Sales Executive for Bank of America’s Client Development Group, says start-ups should also consider angel investors—affluent individuals who have capital. “Those businesses must consider how much they can give up when it comes to the high rates of return and possibly equity/ownership that angel investors often require,” he says.

Credit cards can also be a source of quick cash for your business, but low limits and high interest rates usually make them useful only as a last resort, or as a short-term cash flow bridge. And while credit cards offer convenience, they are not for every type of purchase. “You would not want to use a credit card, which has to be paid off in a very short period, to purchase a big-ticket item with a long shelf life like a delivery van,” advises Solis.

As such, it’s best to use a credit card only if absolutely necessary, and you have the ability to pay them down quickly. Otherwise, that debt can quickly spiral out of control.

To get an insightful, objective look at your small business financing options, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Growth Is Always Good...Or Is It?

Happy days are here! Your small business is booming, with a seemingly endless string of product orders or requests for your services. That's good....right?

At first glance, yes. But there is such a thing as *too much* success. If you're not ready to handle a sudden ramp-up, you risk shortchanging your customers with poor quality work and missed deadlines. The added costs of meeting this demand may outstrip your profit margin, turning what should be a boom into a bust for your bottom line. You may well long for the days when you weren't so popular; and in worst-case scenarios, that could easily become a permanent result.

One key for managing growth is to recognize your limitations. Small business consultant and author Mike Michalowicz says that while starting a business requires a healthy measure of self-confidence, "an inflated ego will inhibit company growth and could cause you to burn out and shut down completely. If you're already maxed out on time, there's no way you'll be able to take your business to the next level."

Managing growth means making good decisions, so you need to step back and get an accurate picture of where everything stands. Is this a temporary spurt or the start of a sustained uptick in business? What resources are available to help you meet this demand, and are new suppliers readily available? If so, how much will utilizing them cost?

Weigh your options against your cash flow and other resources. For example, hiring temporary workers may not be as affordable as overtime for your current staff.

Don't make promises to your customers that you can't keep. Explain that you're short on time or inventory, and specify how long they may have to wait before you can fill the order or take on the assignment. Some people will be willing to wait, others will look elsewhere. Refer opportunities you can't handle to other vendors or contractors who you trust. Customers will appreciate your candor, and remember you as a problem-solver. That increases the likelihood that they'll come back.

Michalowicz adds that a small business can also take steps to manage growth before it occurs by finding ways to systematize its operations.

"When you systematize your processes—everything from concept to delivery of goods or services—the result is a more efficient, profitable company that can easily handle rapid growth," he says. "When you have repeatable, teachable systems in place, you can easily expand your staff to fill that crazy big order."

For more help with planning for growth, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide

free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Survive—and Maybe Even Thrive—During an Economic Downturn

Economic downturns are never good news, particularly for small businesses. Even if its duration is relatively short or isolated to a particular sector or geographic area, a decline in spending is sure to intensify what may already be fierce competition for scarce buyers' dollars, and force business owners to re-evaluate their strategies.

The good news is that a downturn does not by itself guarantee disaster for a small business. Some enterprises actually become stronger during these periods because they are forced to make themselves leaner and more cost-effective. Those that react and adapt become better positioned to weather the difficult times, and stronger when good times return.

Here are some areas to examine when putting together your downturn survival strategy:

Watch your inventories carefully. Don't be saddled with leftover merchandise that ties up your cash flow. If your business traditionally stocks 250 units of each of its slowest-moving products, consider cutting that number to 100 each. Monitor the results, keeping an eye out for those products that can tolerate even leaner inventories or that should be eliminated from your stock.

Watch your cash flow even more carefully. Forecast it monthly to ensure that expenses and planned expenditures are in line with accounts receivable. Ideally, you should be able to project where you will stand three months in advance.

Negotiate with suppliers, contractors and landlords for better prices or short-term reductions. You may even want to consider trading goods and services on a barter exchange for credits instead of for cash. Take advantage of supplier discounts for prompt payment, and don't pay checks for no-discount bills before they're due. If you're already short of cash, talk to creditors *before* the bills are past due to persuade them to extend payments of your current bills.

Eliminate nonessential expenses as much as possible. Ask yourself, is that activity necessary? If not, don't do it. Also consider cutting personal spending. Simple solutions such as brown bag lunches and carpooling can make a difference.

Stay close to your customers. Check in to see how they are getting on during the economic downturn. They'll appreciate your concern, and you'll limit the ability of potential competitors to get a foothold.

Get aggressive with collections. Being tough with customers may be unpleasant, but it's an important safeguard against the effects of a prolonged economic slowdown.

For more help in coping with an uncertain economy, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Ready Resources Transition Veterans Into Entrepreneurs

Many people join the Armed Forces to gain valuable skills, training, and personal growth. The opportunities need not end when it's time to return to civilian life. In exchange for serving our country, several programs help veterans transition to new roles as owners of their own small businesses.

For example, the U.S. Small Business Administration has partnered with the Departments of Defense and Veterans Affairs, SCORE, Small Business Development Centers, and other resource partners to create the Boots to Business (boots2business.org). This program provides transitioning service members the knowledge, tools and resources they need to evaluate opportunities and become successful entrepreneurs.

Following its successful launch in 2012, Boots to Business aims to make the nuts and bolts of starting and growing a business to the 250,000 service members from all branches of the military that transition each year.

For veteran entrepreneurs who need financing, the SBA's Patriot Express Pilot Loan Initiative offers loans of up to \$500,000 to start or grow a small business via a nationwide network of participating lenders. Patriot Express loans feature the SBA's lowest business loan interest rates—generally 2.25 percent to 4.75 percent over prime depending upon the loan's size and maturity—as well as an expedited approval turnaround time. The loan can be used for most business purposes, including start-up, expansion, equipment purchases, working capital, inventory, or business-occupied real-estate purchases.

To help veteran-owned businesses connect with public- and private-sector customers for their products and services, there's the Department of Veterans Affairs' www.vetbiz.gov. The site also includes a database listing businesses more than 51-percent owned by veterans or service-connected disabled veterans—a valuable tool for promoting your new business to potential federal and private-sector customers.

And don't forget the Veteran Fast Launch Initiative. This collaboration of SCORE and the Wal-Mart Foundation provides provide veterans and active duty military members (plus spouses and immediate family members with free or significantly discounted business start-up resources such as software and business services (provided by major corporate partners); scholarships to attend SCORE small business start-up workshops; Web-based workshops, tools, templates, and white papers; and, of course, access to SCORE's mentoring program.

Veterans and civilians alike can profit from the extensive small business resources offered by SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Networking: Know What to Say, and When to Say It

Experts agree that networking is a must for every small business owner. Few other tools are more effective in building visibility about you and your business, and gaining access to potential customers, colleagues, and referrals.

But while we may be absolutely brilliant at what we do as entrepreneurs, not everyone is a born networker. Social situations can be intimidating, especially when you're just starting out, and the knowledge that many other people have may be equally uncomfortable in these settings is rarely much comfort.

A good start is to prepare the 30-second "elevator speech"—a concise description about who you are and what you do that can be delivered completely in the time it takes to travel between floors.

When preparing your elevator speech, focus on how you help customers solve problems or improve their lives and businesses. Also consider different elevator speeches for different audiences, e.g., potential customers, other entrepreneurs, family and friends, and people who may know nothing about your industry.

Keynote speaker and trainer Debra Fine, Author of *The Fine Art of Small Talk* (Hyperion) also suggests these tips for networking newcomers:

Introduce and initiate. Go ahead and initiate with a hello! Even if you recognize, or slightly know someone, reintroduce yourself. By taking ownership and initiating a conversation, you will feel more in control to drive the direction of the exchange.

Use an icebreaker. This not only provides a way to meet new people, but also helps jumpstart conversations. For example, using an icebreaker such as "Tell me about your conference last week..." instead of simply saying hello can lead to a fruitful conversation, rather than an uncomfortable silence.

Express interest and make an effort. Part of your job as a conversation starter is to get the other person to talk. Listen to what your conversational partner is saying and ask relevant follow-up questions. Take cues from them and make a mental list of questions you can ask to get them to elaborate.

Exit thoughtfully. In many business situations, it's important to make contact with several people and move around a room. Find an appropriate point in the conversation to make an exit. Make a plan that is actionable and give a specific time when you'll follow up. Most importantly, if you say you're going to do something, do it!

For more advice on crafting marketing strategies and tactics for your small business, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Protect Your Small Business With the Right Kind of Insurance

You invest a great deal into starting and growing a business, so it makes sense to protect it. Many types of insurance are available, but not every business needs the same type of coverage. What's more, your needs may change as your business grows.

Here are some of the most common types of small business insurance:

General Liability Insurance. Business owners purchase general liability insurance to cover legal hassles due to accident, injuries and claims of negligence. These policies protect against payments as the result of bodily injury, property damage, medical expenses, libel, slander, the cost of defending lawsuits, and settlement bonds or judgments required during an appeal procedure.

Product Liability Insurance. Companies that manufacture, wholesale, distribute, and retail a product may be liable for its safety. Product liability insurance protects against financial loss as a result of a defect product that causes injury or bodily harm.

Professional Liability Insurance. Business owners providing services should consider having professional liability insurance (also known as errors and omissions insurance), which protects your business against claims of malpractice, errors, and negligence. Depending on your profession, you may be required by your state government to carry such a policy. For example, physicians are required to purchase malpractice insurance as a condition of practicing in certain states.

Commercial Property Insurance. Property insurance covers everything related to the loss and damage of company property due to a wide-variety of events such as fire, smoke, wind, and hail storms, civil disobedience and vandalism. The definition of "property" is broad, and includes lost income, business interruption, buildings, computers, company papers, and money.

Home-Based Business Insurance. Homeowner's insurance policies do not generally cover home-based business losses. Depending on risks to your business, you may add riders to your homeowner's policy to cover normal business risks such as property damage. However, homeowner's policies only go so far in covering home-based businesses. You may need to purchase additional policies to cover other risks, such as general and professional liability.

Making wise insurance decisions is easier when you work with a reputable and qualified broker agent or consultant. TrustedSource.com, created by the Independent Insurance Agents and Brokers of America, will help you find qualified professionals in your community with special expertise in small business needs.

For more guidance on business insurance matters, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Franchising is Everywhere; So Too Are Resources to Help

Franchising is a popular way for entrepreneurs to fast-forward their small business ownership ambitions. Franchisors provide a tested and proven base structure of the business, freeing their franchisees from having to start from scratch.

According to the franchising consultant and resource organization FranNet, there are more than 3,000 franchise concepts available today in almost 300 industries. They run the gamut from hotels and restaurants to cleaning services and pet care. Franchises generate more than \$2 trillion dollars in revenue per year with outlets employing over 12 million people.

But franchising isn't a guaranteed recipe for success. According to FranNet CEO Jania Bailey, a franchise owner must have the necessary commitment and drive to make the franchise successful.

"A franchisee needs to have a well thought-out business plan with long- and short-term goals," Bailey says. "They need to pick the *right* franchise when they go into business, and be sure that franchise offers expansion opportunities. Also, they should pick a franchise that has a good track record of growth, and increased earnings at the franchisee level."

Still, Bailey adds, the keys to be successful as a franchise owner are quite simple.

- Do your homework before you buy.
- Fall in love with what a franchise can do for you, not the product or service sold by the franchise.
- Be sure that you have developed your own personal business model and that the franchise you buy can help you achieve your personal goals.
- Be willing to follow the franchise system.
- Be willing to work hard and be committed to your success.

And as with any other type of business venture, prospective franchisees need a sound, well-crafted business plan to guide them on the path toward transforming the potential of these opportunities into positive results. To help prospective entrepreneurs explore and better understand the nature of franchising opportunities, FranNet and SCORE have teamed up to develop a variety of training tools, webinars, and resource documents.

Available for free at www.score.org, visitors will find information on the nature of the franchisor-franchisee relationship, guidance for evaluating franchising opportunities, legal and financing issues, and more.

Want to learn more about franchising? Contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

CRM Technology Can Provide an Edge in Building Repeat Business

Quality work, prompt and courteous service, and value at a competitive price are all important ingredients in both attracting and retaining customers. The challenge today, however, is that your competitors want to offer the same things.

So what else do you need to do to keep those customers coming back? Learn as much as you can about what they want, and how they interact with your small business. A valuable technology tool for gathering, managing, and analyzing that kind of data is customer relationship management, or CRM.

According to Ramon Ray, editor and technology evangelist for Smallbiztechnology.com, “CRM is one of the most powerful tools a growing business needs to nurture prospective customers to a ‘yes’ and to nurture customers into being loyal, repeat customers who refer other customers.”

The advantage to CRM, says Ray, is that it provides a single view of each customer. “Only a true CRM system enables you to see the overall interaction of your customer across your web site, sales funnels, and beyond,” he explains. “Silos of customer information are no good.”

A CRM also helps small business owners keep in touch with customers, and given them individualized attention. “This enables your entire organization to treat each customer with the appropriate level of service,” Ray says.

Extra focus as needed can be directed on prospects that are ready to buy as well as those customers who are not yet ready. At the same time, a CRM reduces the risk that long-time customers will be taken for granted.

A wide range of CRM products are available, each with different features. Leading customer engagement provider Constant Contact (constantcontact.com) offers a platform to launch and monitor customer engagement campaigns across multiple channels, including email, social media and events. There’s also Microsoft Dynamics CRM; Campaigner CRM, Infusionsoft, and many others.

Ray cautions that while many CRM products sound similar, they are the same. “Carefully consider where your business is today, where it’s going ‘tomorrow’ and what you need to grow,” he says, adding that the best CRM tool for a particular small business is the one that facilitates better customer service, and better lead nurturing. Or as Ray puts it, “date your leads and marry your customers.”

Learn more about all the tools for managing customers and building repeat business from SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training

workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

What if the “Worst That Can Happen” Happens to You?

When Hurricane Sandy roared through the Northeastern U.S. in October 2012, few small businesses escaped unscathed. Many were left without power and Internet access for weeks, while others sustained severe damage to facilities and equipment. And even those businesses able to reopen dealt with disrupted supply chains, and limited access to gasoline and other commodities.

Sandy’s multi-billion dollar impact on the Northeast’s economy is the latest reminder that every small business needs a disaster management strategy. Though the likelihood of certain events will vary by location, your ability to take action is not always the same. For example, those in Sandy’s path had several days to prepare; victims of tornados, earthquakes, or fires rarely have any.

Here are some tips for developing a disaster management strategy for your small business:

Take an all-hazards approach. Consider the potential of both natural events (e.g., hurricanes, floods, earthquakes, and ice storms) as well as man-made disasters such as fires, toxic material spills, civil unrest, and terrorism.

Develop operational contingency plans. Assess the feasibility of operating out of rented office space, a nearby storefront, or even your home, and what equipment/resources will be needed (e.g., computers, data files, inventory). Store important documents and backup copies of computer records, software, and other vital information in a fireproof container or at a secure off-site location.

Ensure the safety of employees and customers. Develop an evacuation plan that includes access to shelters, hospitals, and other emergency services. Keep emergency telephone numbers clearly posted, and maintain up-to-date emergency contact and essential medical information for all employees.

Perform a safety inventory. Regularly clean and test smoke detectors, and change the batteries at least once a year. Make sure you have well-stocked first-aid kits, fully charged fire extinguishers, and a fresh supply of all types of batteries used in your business. If you have portable generators for emergency power, make sure the fuel is fresh and safely stored.

Review your business insurance coverage. Your coverage should be enough to get your business back in operation, and cover the replacement cost of essential facilities. Most general casualty policies do not cover flood damage, nor may they apply to special tools or equipment. Also consider purchasing business interruption insurance, which can assist with ongoing expenses during a forced shutdown.

More guidance for disaster planning and preparation is available at the Federal Emergency Management Agency's [Ready.gov/business](https://www.ready.gov/business) website. You can also receive assistance with your business's specific recovery needs by consulting SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Smart Energy Use Helps Your Business...and Mother Earth

In today's competitive business world, it makes sense to reduce costs any way you can. So, do your bottom line a favor by taking stock of your energy use. An inventory of your current power consumption will likely reveal a number of opportunities to cut your kilowatts without compromising your operations. At the same time, you'll be helping conserve scarce natural resources and lower pollution.

Not sure where to begin? The Energy Efficiency section of the U.S. Small Business Association's website, www.sba.gov, provides a state-by-state listing of programs offering free or low-cost technical assistance to help small business owners conduct energy audits and implement energy-efficient technology. Many also offer grants and loans for implementing large-scale energy efficiency upgrades.

Another good starting point is your heating, ventilation, and air conditioning (HVAC) system. Change HVAC filters every month during peak cooling or heating seasons. New filters usually only cost a few dollars, while dirty filters overwork the equipment and degrade indoor air quality.

An annual maintenance contract with a qualified firm will provide system "tune-ups" before each heating and cooling season. The cost of the contract will be more than offset by lowered energy use, as your system will be operating at peak efficiency when it's needed most. The inspection may also avert system failures—the kind that seem to occur at the worst times—and help your system last longer.

Also consider installing an Energy Star-qualified programmable "smart" thermostat to automate your HVAC system. This solid-state, electronic device optimizes HVAC operation based on your schedule, and can be overridden as needed for unscheduled events. This thermostat can also activate the HVAC system an hour or so before staff arrival to ensure the facility is comfortable and saving energy.

Similarly, fans can maintain year-round comfort using less energy. Moving air can make a somewhat higher temperature and/or humidity feel comfortable, while also delaying or reducing the need for air conditioning. When the temperature outside is more comfortable than inside, a box fan in the window, or large "whole facility" fan in the attic can push air out and pull in comfortable air from the outside.

Mother Nature can also help you save energy. Depending on your location and the orientation of your facility, shades and blinds on windows can control sunlight levels, warming spaces in winter and blocking direct heat gain in the summer. Options such as solar screens and films, awnings, and vegetation can also help keep interiors cooler.

For more guidance on cost-effective environmental practices, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

When Choosing Accounting Software, Make Sure the Numbers Add Up

Accounting software has become so powerful and user-friendly, even those who have done little more than balance their checkbooks can easily keep accurate track of their small business's financial performance.

Though there are several brands of accounting software, not all of them are alike. Before selecting a new system or upgrading what's in place, first determine what features you will need (e.g., accounts receivable/invoicing, accounts payable, project management, reports, etc.), and those that may simply be "nice to have" if the price is right. Examples of these options include time tracking and billing, credit card processing, remote access, and tax and electronic payment services.

Also consider these questions:

- ***Do you need industry-specific software?*** There is a wide range of accounting software for industries such as manufacturers, construction, and wholesalers.
- ***Can the product grow with your business?*** How much will it cost to upgrade or add new modules as your company's needs change?
- ***How compatible is the software?*** The software must work seamlessly with your existing hardware and services such as your payroll or accountant, and your bank. It should also be compatible with your existing accounting software so you can easily export data from your current system to the new system.
- ***Do you want desktop or SAAS (software as a service)?*** Because SAAS products reside online, you pay a subscription fee instead of downloading it to your computer. This can save money, but be sure you understand all the costs.
- ***What restrictions does the software allow?*** When dealing with sensitive financial data, you'll want to give different users different levels of access.
- ***What type of support is available?*** Is support provided by email, phone, user forums, online documentation, or chat? Is there a fee for support?
- ***Is a free trial available?*** This can give you the option to try before you buy and see how well the software works for your business.

Even the best accounting software doesn't replace the need for a bookkeeper or accountant. Ask your current professional for recommendations before you buy. Your IT consultant may also identify system implementation and use issues to consider.

The best source of advice on financial issues for your small business is SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

A Plan Is Important, But So Too Is How You Get There

Strategic planning isn't just an option for small businesses today; it's essential. Given the uncertain direction of some trends and the rapid pace of change in others, every small business needs some kind of roadmap by which to navigate these shifting scenarios, and metrics to accurately gauge the progress.

But while most small businesses know they *have* to plan, few know *how* to do it correctly.

Writing in American Express OPEN Forum, management consultant Les McKeown says that while he's seen virtually every type of strategic planning process, "many times, those involved in the process place too much importance in the resulting plans, and far too little in the planning process itself."

McKeown, president and CEO of Predictable Success, explains that the point of planning is "to develop an understanding of what's likely to happen in the future, and to be fully prepared for most circumstances."

To make planning a powerful, vibrant process in and of itself—and get better plans as a result—McKeown suggests the following:

Embrace the process. "See the planning process itself (not the resulting plan) as the main thing," he says. "Invest time to do it right. Get the right people in the room. Ask a great facilitator to help you. Roll around in the process. Luxuriate in it. Get good at it."

Plan to scenarios, not data points. McKeown believes that most people produce plans with a specific outcome in mind, or a "bad, better, best" range of projections. "Sadly, life doesn't play out in single data points—it plays out in scenarios," he says. "When you're planning, start by putting together four or five likely scenarios as well as a few unlikely scenarios for your business next year."

For example, consider what might happen if a key cost rises in a down market, a main customer starts buying from the competition, or you outgrow your existing store capacity. "Plan against these, and rehearse your likely responses, so when one of them does happen, you know precisely how you're going to respond," McKeown says.

Bring the accountants in at the end. Most people start with the numbers—say, a 10-percent growth rate—and work backward, something that rarely happens. "Make your scenario-based plans first, then have the accountants work up the numbers," McKeown advises. "When you see the results, you might need to go back and re-plan your responses to some of the scenarios, but that's a good thing."

Don't rely on incomplete information to plan your small business. Get help from the experts at SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more

than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Good Management is Mission-Critical to Small Business Success

Being a good manager is part of the job of running a small business. Even if you have only a handful of employees, it's still up to you to help them give their best for the sake your company, your customers, and themselves.

Business author Jeff Haden says there are several missions that every manager needs to accomplish in order for a company to grow and be successful. All are based on actions, which Haden says reign supreme.

"Intentions are meaningless," he says. "Results are everything."

Mission #1: Develop Every Employee. Employees can only achieve what they are capable of achieving, so it's your job to make every employee more capable. "As a manager you owe it to your employees to provide the training, mentoring, and opportunities they need and deserve," Haden says. "In the process you listen, guide, and develop loyalty and commitment. Reviewing results and tracking performance is transformed from enforcement into personal progress and improvement—both for the employee and for business.

Mission #2: Deal With Issues *Immediately*. Nothing kills team morale quicker than issues that don't get addressed. "Interpersonal squabbles, performance issues, inter-departmental feuds...all negatively impact employee motivation, enthusiasm, and even individual work ethics," Haden says, adding that small problems never go away. "They always fester and grow into bigger problems—and when you ignore an issue employees immediately lose respect for you. Without respect you can't lead."

Mission #3: Take on a Rehab Project. Every team has an employee who has failed to complete a task, blew up in a meeting, or just makes particularly slow progress. Over time that employee is seen by his peers—and by you — as a weak link. Before you remove that link from the chain, Haden suggests first trying to rehabilitate that person by expressing confidence and support. "Don't relax your standards," he says. "Just step up the mentoring and coaching you provide." The effort may not work out; but if it does, you may well make a tremendous difference in someone's life.

Mission #4: Never Be Self-Serving. Haden advises against doing anything that draws attention to yourself, even if only for a brief time. "Consistently act as if you are less important than your employees and everyone will know how important you really are," he says. "You were just doing your job the way a great manager should."

For more leadership ideas, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Hiring a Family Member Can Be a Plus....or a Pain

Family-owned enterprises are the foundation of America's small business tradition. And even if your family isn't involved at the outset, a relative is often an ideal candidate for a role where trust or special expertise is necessary.

But is working with family members always a good idea? Business consultant and *USA Today* "Ask an Expert" columnist Steve Strauss says it's important to first look at the pros and cons of these situations.

"One of the best things about working with family—and maybe one of the worst too—is the familiarity you have with one another," Strauss says. "There is a shorthand that you have with family that you do not have with the world at large, and when you get along well with that person, that can really work to your benefit. Working with a family member you like can really be fun."

It's also an advantage if a family member has different strengths than you. "That give and take can save time and hassle since you have already spent years together," Strauss adds.

But mixing business and family can hurt both entities as well. "On the business side, if things don't work out with the family member, disciplining—not to mention firing—that person is very difficult," Strauss says. "Similarly, your loved one may not show you the respect that you deserve and need in the workplace. And that, in turn, can either hurt morale or invite similar disrespect among others in your organization."

Another complication is that family members may feel exempt from rules that apply to non-family employees. "They may resent your authority, goof off, or not understand when you can't or don't give them a raise," Strauss says. And if there is a work-related rift, the damage may have an irreparable ripple effect across other family relationships.

So how should you proceed? "Unless you have an incredibly good fit, and everyone understands the rules and you have set up some guidelines, working together runs the very real risk of damaging all sorts of family relationships if things go south," Strauss says. "And unlike a disgruntled employee who leaves, a disgruntled family member will be around for the long haul."

In other words, even if the potential rewards of working with a family member outweighs the risks, clear, constant communication of roles, expectations, and results are essential for as long as the family member is an employee. Otherwise, neither work nor home will be a pleasant place.

To learn more about operating a successful family business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers

who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Need a New Financing Strategy? Consider Crowdfunding

No matter what you want, chances are you'll find it online. That may soon include financing for your small business via a strategy known as crowdfunding

Similar in concept to a public stock offering, crowdfunding enables entrepreneurs to solicit investment in their new or existing business through a broker-dealer or a "funding portal" website that advertises investment opportunities, and facilitates the transfer of funds. Under the CROWDFUND Act, part of the 2012 Jumpstart Our Business Startups (JOBS) Act, a small business may raise up to \$1 million in a 12-month period by selling its securities to investors without registering that offering with federal or state securities regulators. However, the Act places limitations on how and to whom a small business can sell its securities.

Though crowdfunding might seem to offer many advantages for expediting small business financing, entrepreneurs should move cautiously before utilizing this approach, particularly since the process is so new. The North American Securities Administrators Association (NASAA) recommends carefully choosing a broker or funding portal, as unscrupulous operators may well attempt to take advantage of a small business owner's unfamiliarity with crowdfunding rules and regulations.

NASAA also notes that while crowdfunding's exemption federal and state securities registration is meant to lower capital-raising costs, a small business still needs legal guidance to ensure full compliance with the CROWDFUND Act's requirements, as well as the general federal and state securities laws. Consulting with a licensed and experienced securities law attorney will help ensure your crowdfunding efforts are within the law.

Then there's the cost of getting that financing. Though crowdfunding may be less expensive than a public offering of securities, it will likely prove more expensive than other, more conventional alternatives. What's more, pursuing other sources of financing may also become more difficult, as venture capital companies or private equity funds may be less inclined to invest in a company that already has a crowd of small investors.

Federal and state laws provide other ways for a company to raise money from limited numbers of investors with little or no cost. The NASAA's website, www.nasaa.org, provides links to all state securities regulators, which can provide more information on crowdfunding regulations and requirements, plus other options for raising capital.

To learn more about financing a small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Visibility is the Key to Finding Freelance Work

When you're a freelancer or solo independent contractor, you are your own Marketing Department. It's up to you to make the contacts and generate the work that will enable you to grow your business. The search for work is constant part of your independent enterprise, so you'll enjoy it more if you develop a passion for finding the next big project.

Where once this business development effort required freelancers to "pound the pavement" in search of new assignments, a number of Internet tools have made the process easier and less time-consuming. For example, the LinkedIn network enables you to create and maintain a complete professional profile about you and what you do for free, while also connecting with colleagues and clients.

If this sounds a lot like Facebook, it is. Only with LinkedIn, the focus is more on your professional life—what you can do, what you know about, and areas you want to learn more about. In addition to networking, LinkedIn also offers specialized groups and discussion forums on timely topics. By weighing in with an informed opinion, you can burnish your credentials as an expert in a particular area.

And like Facebook, LinkedIn also offers various advertising options that will help you reach fellow members in search of your service or expertise. Fee-based accounts provide broader access to member information and other resources.

Business blogs are another way to tout your experience and abilities. Focus on current issues or topics of interest to your prospective customers, and use keywords and phrases that are likely to be used in online searches. Also comment on other blogs as appropriate, and link back to them on your blog. Over time, those professionals will begin commenting on and linking to your posts, further increasing your visibility across the Internet.

Amid these high-tech business development tools, don't forget the basics: do good work for each and every client, and encourage them to refer you to others who may need the services you provide. Check in with your customers periodically to ask how things are going, and what projects or initiatives may be in the works.

And be sure to listen carefully when speaking with your customers. You may find there's a way you can serve your customers that they haven't immediately thought of.

To learn more about finding projects for your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Want to Get Paid? Practice Prompt, Smart Invoicing

Nobody likes the idea of resorting to a collections process to deal with delinquent accounts. Indeed, some entrepreneurs choose to do nothing rather than confronting customers about past due bills. That may delay any unpleasantness and hard feelings indefinitely, but it won't bring what you're owed any closer to your bank account.

Though many of the negative connotations of collections are exaggerated, the process itself can often be avoided entirely by adopting and adhering to sound accounting and invoicing practices. Author and entrepreneurship consultant Terri Lonier, president of Working Solo, Inc., provides these tips for improving your invoicing habits:

Invoice promptly! If your customers don't have the paperwork, they can't pay you. And the longer you wait to invoice, the more distant your client's memory of the product or service you provided will be.

Invoice clearly and completely. State all terms and the circumstances of the business exchange. A vague or incomplete invoice will make collecting more difficult, especially on an overdue account.

Know your customer's invoicing and payment policies. Do they need multiple copies of the invoice? Must the invoices be original hard copies, or are faxed or emailed invoices acceptable? Should the invoice be included inside a shipment or be sent to a separate department? In many cases, if you don't enter the system properly, your invoice may be delayed—or never paid at all.

Accurately record each payment you receive to keep your accounts current. It's unsettling to have to pursue an overdue account, but it is humiliating to ask for a payment you've already received. You'll come off as unprofessional and may jeopardize a good client relationship.

Don't get lost in a large-company shuffle. Call the accounts payable department a few days before a payment is due and politely ask if the invoice has been processed properly. Invoices often have a way of getting lost along the payment route. Large-company accounting departments also frequently delay payments to small companies and independents to manipulate their cash flow.

Take action the day an account becomes past due. Call or send a second notice with a polite reminder. A fax or emailed attachment carries with it immediacy and creates a visual image that often generates better response than a phone message. If you still don't get paid, phone the customer and request payment.

Stay proactive. If you don't, your weak demeanor will make it easier for your client to put you off.

Collections are just one critical financial issue your small business can face. For expert help and advice, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Engaged Employees Give It Everything They've Got

Are your employees engaged in their work, or are they estranged from your company's mission and their role in making it happen? That's a question more and more business owners should be asking. According to JoAnna Brandi, publisher of the Customer Care Coach® training program, there's growing evidence that the more engaged employees are in what they do, the better their performance and the higher the rewards for everyone.

"The key is to have managers who are skilled at creating employee engagement," Brandi says. "When you do, you can both make and save money."

Here are some management tips for creating and sustaining employee engagement:

- **Let go of any negative opinions you may have about your employees.** Approach each of them as a source of unique knowledge with something valuable to contribute to the company. Remember that you are co-creating the achievement of a vision with them.
- **Make sure employees have everything they need to do their jobs.** Ask each staff member or the team as a whole if they have everything needed to be as competent as possible. "Just as marketplace and customer needs change daily, employees needs change too," Brandi says.
- **Clearly communicate expectations.** Employees can't perform well or be productive if they don't clearly know what it is they're there to do—and the part they play in the overall success of the company.
- **Get to know your employees.** Find out their goals and stressors, what excites them, and how they each define success. "Show an interest in their well-being and, when appropriate, do what it takes to enable them to feel more fulfilled and better balanced," Brandi advises.
- **Make sure they are trained and retrained in problem solving and conflict resolution skills.** These critical skills will help them interact better with you, their teammates, customers, and suppliers.
- **Constantly ask how you are doing in your employees' eyes.** Use conversation starters such as, "It's one of my goals to constantly improve myself as a manager. What would you like to see me do differently? What could I be doing to make your job easier?" Be sure to accept feedback graciously and to express appreciation.
- **Reward and recognize employees in meaningful ways.** Celebrate both accomplishments and efforts to give employees working on long-term goals a boost.
- **Be consistent for the long haul.** "If you start an 'engagement initiative' and then drop it your efforts will backfire, creating employee estrangement," Brandi warns. "A manager's ongoing commitment to keeping people engaged, involved in, and excited about the work they do and the challenges they face must be a daily priority."

To learn more about employment issues facing your small business, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Know the Backstory When Purchasing an Existing Business

Buying an existing small business can expedite one's way into entrepreneurship. All the up-front effort has been taken care of, as has much of the learning curve. And with staff and resources already in place, you may think stepping in and taking over is all there is to it.

In truth, acquiring an existing small business is far more complicated and requires the same amount of research as a start-up. There are many potential pitfalls and traps, any of which can turn a "sure thing" into a disaster.

Here are some important questions you should ask when considering purchasing an existing business:

Why is the business for sale? Often the response will be that the owner wants to retire or is in poor health, which may be true. But the real reason may be that the business is in a declining neighborhood, or the owner knows of an impending market change that will cut into profitability. While uncovering the real reasons for a sale may not be easy, remember that people rarely walk away from a profitable small business unless there is a strong personal reason, or they have received an incredible offer.

What kind of reputation does the business have? If it has a good reputation, this may be the most important thing you are paying for. On the other hand, you may be much better off starting your own business from scratch than acquiring one with a poor reputation because of shoddy merchandise or poor service. Overcoming that damage could take years.

Is the reputation transferable? Even if the business has an excellent business reputation, you will want to know whether that goodwill is based on personal relationships developed between the owner and customers, or for other reasons. This is particularly important if the business relies heavily on a few key customers or suppliers with whom the owner has favorable business arrangements. Those arrangements could evaporate when you attempt to take the owner's place.

How profitable is the business now? Find out what the business has actually earned for the last few years. Unless you are certain you can run it more profitably than the current owner, stay away from a money-losing business or one that does not produce a satisfactory profit.

Are you getting everything that makes the business tick? Things such as well-developed customer lists; favorable leases and contracts; patents, trademarks, and trade names; or certain skilled employees who are vital to the business should be part of the package.

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business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

SEO Do's and Don'ts

It's no secret that search engine optimization (SEO) is essential for garnering greater visibility for your small business website and other Internet marketing efforts. As well-established a practice as SEO is, however, many entrepreneurs may still wonder if they're realizing its full potential.

Charlè-John Cafiero, President and CEO of New York City-based CJC Strategists, and an expert in emerging strategies, says that while the sophistication of search engines continues to grow, small business owners need to give them some help in order to get "found."

"You need a clear description of who you are, what you do, and where you do it," Cafiero says. "And you need consistency. Develop key descriptive words and phrases for use in your blog, your website—all your communications. Together, they'll create the viral reaction you're looking for."

Cafiero notes that a common misperception about SEO is that simply sharing links is enough. "You need those key phrases plus compelling content," he says. "Educate customers with things that are important to them. And, make it two-way conversation. Encourage feedback by posing interesting questions and discussions. Otherwise, people won't want to share it."

Entrepreneurs should also be up to date on the continuing evolution of SEO, which includes local searches and the growing use of mobile devices. The starting point here, Cafiero says, is to see how your website or blog looks on a smartphone.

"Lots of sites use Flash, which doesn't show up on all smart phones and iPads," he cautions. "Also, take advantage of mobile services and apps. Investigate them, see what works, and pass them along to customers. And if you have brick-and-mortar store, make sure you're on new Google Local."

And while there are a host of SEO professionals who can help a small business develop and fine-tune an SEO strategy, much of the effort is still up to the small business owner.

"Do your homework so you can accurately tell these professional about you, the type of business you have, and your objectives," Cafiero says. "That's the only way they can do things that will really benefit your business."

To learn more about how SEO and other technology trends affect your small business marketing strategy, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Attracting Great Customers is Worth the Effort

Good customers can help a small business survive, but *great* customers can help a small business thrive. These are the buyers who choose a small business not just for its products or services, but for the extra value they receive. Their choice is not driven solely by price; when great customers like what they're getting, they're willing to pay extra for it.

The good news is that your small business may already have good customers who can easily become great customers. It's up to you to provide that all-important "something extra." Ramon Ray, Editor and Technology Evangelist for Smallbiztechnology.com, offers some tips for cultivating great customers:

Always advise what is in the best interest of your customer. "Sometimes it might be tempting to suggest a solution or product that will increase your profit or revenue," Ray says, "but over time your clients will appreciate your saving them money when all possible or suggesting they invest in a more expensive solution, as the need dictates."

Refer business to your customers. You want your customers to refer new clients to you, right? Why not do the same for them? "Even if your customers never say it, they know which of their vendors want a two-way relationship and which ones don't," Ray says.

Be active in your community. The more your clients see you active in your local community the more they are going to want to work with you and not your competitor.

Convey your philosophies to all staff. It's not enough that you know how to treat customers. It's equally important that all of your staff are well trained and advised on your methods, philosophies and customer expectations.

Take responsibility for mistakes or problems. "Your customers hate when blame gets passed around," Ray says. "They just want solutions or products delivered, and assurance that problems don't happen again. So it's important to know why a problem did occur, solve it and then move on."

By offering more value and customer service, you'll find that over time the right customers will percolate up to the "top" and they will want to work with you more. "Wrong customers" or customers who are not a fit for you will leave you and look for other solutions.

"It never feels good to lose a customer," Ray says, "but in the end it's best for your business."

To learn more about delivering stellar customer service, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business

owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

A Business Plan Can Make—or Break—Your Small Business

“What went wrong?”

Entrepreneurs often ask this question when their small business dreams fail to materialize, or they encountered problems that in hindsight might have been preventable. Often, the problem can be traced to a flaw in their business plan. Critical issues weren't fully thought out or, even worse, weren't even considered because the entrepreneur didn't prepare a business plan in the first place

Veteran business consultant, MBA professor, and SCORE mentor Miguel Orta has reviewed many business plans in his career, and has found several common mistakes that end up short-circuiting even the most promising small business venture:

No clear purpose. A business plan is essentially a solution to a problem, the problem being how you are going to turn your vision of a successful business into a reality. As such, Orta says, “the purpose of your business plan will affect everything from the amount of research you have to do through what the form of the finished plan will look like, and what you will do with it.”

Idea inflation. Don't overestimate the importance of your idea. “Generally you don't need a great idea,” Orta says. “You need time, money, management skills, and common sense. It isn't just the plan that sells a business idea; it is the person presenting it as most investors invest in the people behind the business.”

One size fits all. Every business is different, so every business plan is different too. “Using standard documents may save you time, but the end-result will not be tailored to your business or fully meet your needs,” Orta says. “Be precise, and avoid unnecessary verbiage that fills up space or builds up hype falsely.”

Understand cash flow. Many newcomers to business will think in terms of profits, or sales minus costs and expenses. “Unfortunately in business, we don't spend profit, we spend cash,” Orta says. “Many businesses fail because they lack the necessary cash to operate, not because they are ‘bad’ businesses.”

Don't be overly optimistic. Be realistic with your projections and bear in mind that very successful companies often take many years to get to a point where they succeed.

Need help in creating a sound, high-quality business plan? There's no better resource than SCORE “Mentors to America's Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Tap the Power of “Thank You” to Strengthen Customer Loyalty

John F. Kennedy once said that when we express gratitude, “we must never forget that the highest appreciation is not to utter words, but to live by them.” For small business owners this is particularly important when it comes to thanking customers for their business. Without their support, few enterprises would last very long.

Simply saying “thank you” goes a long way toward securing a customer’s loyalty. But there are other things you can do to express your gratitude to show that you truly mean it. Small business expert Rieva Lesonsky, CEO of GrowBiz Media, offers some suggestions:

Send a thank-you note. Lesonsky admits that the idea may sound corny. But in this age of e-centric communication, a handwritten thank-you note really makes a big impression. “Set aside 15 minutes a day to write notes telling customers why you appreciate them,” Lesonsky suggests, “and how much you enjoy working together.”

Hold an event for your best customers. Possibilities include a luncheon hosted by your business, a late-night shopping event after your store closes to the public, or a free seminar where you show them how to do something helpful. The point is to make them feel valued and special.

Make them an offer. Send a thank-you in the form of a coupon, discount, free gift, or other special offer. “Make it meaningful—no skimpy 5 percent off,” Lesonsky says. “Make it clear that there are no strings attached. It’s simply to thank them for their business.”

Pick up the phone. If your business relies on one-on-one sales, give your customers a “thank-you” call. “Tell them you’re calling to thank them for their business, see how your product or service is working out, and ask if there are any problems or concerns you can help with,” Lesonsky says. There’s an added benefit to this approach—an opportunity for customers to let you know their needs. “Then you can step in and suggest how you could address them,” she adds.

Say it wherever you can. Think about all the touch points where your business interacts with customers. Even if a customer doesn’t buy something, thank them for coming in. Also consider the content of your email signature and voicemail, or the message customers receive when completing an online purchase. “All the ways you interact with customers should leave an impression of gratitude,” Lesonsky says. “Last impressions matter just as much as first ones do.”

To learn other ways to improve the quality of your customer service, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small

business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Build Social Media into Your Marketing Strategy

A 2012 survey of small business owners by the online networking and promotional service Manta.com found that 90 percent are actively engaged in social networking sites, while 74 percent perceive social networking as valuable, if not more so, than networking in-person.

What's more, nearly half of the respondents said gaining and targeting prospective customers is the most valuable benefit of networking online. And 78 percent reported having gained at least a quarter of their new customers through online or social media channels that year.

For new and existing small business owners, the message is clear. Social media is an increasingly essential element of a marketing strategy. If that's where your customers are, you need to be there too.

First, however, one needs to understand that unlike conventional "one-way" marketing tools, social media is a two-way interactive medium between real people.

"An effective social media strategy must be tied to your customer buy cycle—when and where customers make purchasing decisions," observes consultant Jeanne Rossomme, founder of RoadMap Marketing. "Do they ask other for referrals/recommendations? Do they use their mobile devices to search for information? And on which social media networks are they especially active? The answers will help keep you develop a focused social media strategy."

Rossomme adds that social media content is more an issue of quality versus quantity. "About 80 percent of your Facebook posts, Tweets, and LinkedIn Group posts should be reacting to others and promoting them," she says. "No more than 20 percent of your communications should be of a promotional or sales nature. Focus on talking about things that are of value to your clients and prospects.

Gauging the success of social media efforts depends on what effect of the buy cycle the business wants to evaluate. For awareness, visits from Twitter, YouTube, or Facebook will be key indicators. Metrics for interaction include comments on blog and Facebook posts, and the number of friends/followers and viewers.

"To measure conversions—people who buy your product or service—look at the percentage taking advantage of promotional offers," Rossomme says. "And don't forget to ask all new clients how they first heard about you."

For more help in shaping a comprehensive marketing strategy, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Ask Your Customers for Feedback...And Be Sure to Listen

Have you ever seen those signs on the back of tractor-trailers, giving motorists a number to call to comment on the quality of the operator's driving? A small business should issue the same kind of invitation to its customers, and not just to field complaints or problems. You also want to know what your small business is doing right, what good things could be done better, and what new products or services your customers want.

There are several avenues for collecting customer input, the most direct of which is talking with them face-to-face in a casual context. You can do this anywhere—at your business or theirs, over lunch or coffee, or by phone. Even a chat lasting just a few minutes can yield valuable insights into why your customers come to you, current or emerging issues they're dealing with, and how your business might help.

Don't put customers on the spot for answers, particularly if they are pressed for time. They may want to think about things and follow up via phone or email. Remind them periodically if they don't respond, but don't nag. They, like you, have other priorities to deal with first. (That also opens the door to another information-gathering icebreaker: "You seem to be quite busy these days. How are you handling it?")

Another information-gathering option is the online survey. This is particularly valuable for businesses that communicate with customers via e-newsletters and other electronic means. According to Dave Gerhardt, Associate Product Marketing Manager at engagement marketing specialist Constant Contact, asking basic questions (e.g., "How did you hear about us?") via surveys is actually quite simple and effective, yet "a lot of businesses don't do it."

When doing surveys, give customers a good range of response options, especially when asking the types of products or services they are interested in, or the type of information they want to receive. "Not all your customers are going to be interested in the same things," Gerhardt says.

Keep these surveys simple and easy to complete. Consider incorporating a survey link into your customer signature or, if you have them, your Facebook fan page or Twitter posts.

"It's really about using all of your networks and putting your survey in all the places your customers or your subscribers are going to be," Gerhardt says. "Put that link out there, make it easy for them to take it, and they will."

Customer satisfaction is crucial to a small business. For more help, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Borrowing From Friends, Family Requires Wise Management

When seeking financing help for a small business, many entrepreneurs turn to friends and family, rather than banks or other lending sources. While this approach may avert the stresses associated with loan applications and presentations before strangers, it carries its own set of risks and potential pitfalls.

If you're considering keeping your financing sources "close to home," small business owner and writer Caron Beesley suggests considering these key factors:

Choose your Financiers Carefully. Select people with solid business skills who know the risks and benefits of what they are getting into. At the very least, limit your list to friends or family who have faith that you will succeed, who understand your plans, and are clear about the risks.

Demonstrate Passion and Due Diligence. Write a business plan, even if it's a mini-plan that demonstrates the steps you've taken to research your market and work out your potential profitability. Most important, it should spell out what you need the money for.

Be Realistic About How Much Money You Need. Instead of asking for the maximum, consider what you need to get you to a certain point in your business plan. Once you have shown your ability to repay that initial investment, you'll be in a better position to ask for more money as needed. Communicate your business progress along the way, even if it's correcting mistakes in your business strategy.

Decide What You Want. A loan will require repayment over time, while a direct investment in your business is usually made in exchange for an active role in how the business is run. Think hard about the emotional consequences of being unable to repay the loan, but also whether you want your family or a friend involved in your business operations on a day-to-day basis.

Use a Peer-to-Peer Lending (P2P) Service. P2P firms act as an intermediary or broker between you and the people providing the loan. You and your lenders decide on the repayment terms and the P2P manages the repayment on your behalf for a fee. This eliminates the inconvenience of writing a check each month, and gives your lenders confidence of being repaid without having to chase you.

Develop an Agreement With a Repayment Plan. Detail your business plan, how the funds will be used, how progress will be measured, and how repayment will be made. If the investment is a stake in your company, clearly outline the potential risks so your family and friends are 100 percent sure about what they are getting into.

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Save Money, Increase Views With a Well-Rounded PPC Ad Strategy

Pay-per-click advertising (PPC) has become a popular advertising tool that can deliver big results at little cost. But small businesses shouldn't rely solely on the PPC ad networks offered by search engine giants Google and Bing.

According to consultant and author John Jantsch, creator of the Duct Tape Marketing System, "Once you've created content that converts, compelling calls to action that get people to click, and an ROI on bids on the big networks, it makes perfect sense to start exploring other options to lower your cost per acquisition and gain greater exposure."

Jantsch suggests considering and testing the following PPC options:

Reddit Ads. Ads on this social news sharing site are targeted based on interest instead of demographics, and include user engagement features such as voting and comments. "Get your ad right and this network can generate targeted leads," Jantsch says.

YouTube Video Targeting. Using this tool, ads can be placed in specific video channels or even specific videos. A variety of formats are available.

StumbleUpon Paid Discovery. StumbleUpon is a unique social sharing site, as users simply "stumble" to your chosen page without a click. Though the service delivers lots of low-cost visits, Jantsch says the key to success on this platform is a very simple and engaging call to action.

Twitter Promoted. These Tweets are ordinary Tweets purchased by advertisers who want to reach a wider group of Twitter users. Clearly labeled as "Promoted," the Tweets can be targeted to search terms and specific hashtags. "Advertisers have been reporting good results in terms of targeted conversions," Jantsch says, "but also in terms of social metrics such as increased followers and influencer scores."

Facebook Advertising. Small businesses that have built a large fan following can take advantage of the sponsored updates option with a compelling call to action.

LinkedIn Advertising. Jantsch cautions that this predominantly B2B platform can become expensive if used too broadly. Ads are most effective when user niches are narrowly targeted based on keywords or titles in profiles.

7Search. This network can complement ads on other larger networks, particularly for long-tail search terms, Jantsch says.

To learn more about advertising your small business, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business

owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Corporate Social Responsibility Isn't Just for Big Companies

You often read about the large donations major companies make to charities, their commitment to environmentally sustainable operations, or other acts that demonstrate their corporate social responsibility (CSR). Though their clout and resources may make headlines, a small business can do just as much to improve the quality of their communities and their world.

In some ways, crafting and implementing a CSR philosophy for a small business is easier because there are fewer stakeholders to appease, and you have the flexibility to adopt a strategy that aligns ideally with your business goals. CSR also has a ripple effect among customers who want to do business with socially responsible firms, and employees who are willing to give extra effort for a good cause.

Here are some ways to make CSR an integral part of your small business practices:

Donate Money and or Time to the Community. Some of the best opportunities for making a difference are right outside your door. “Adopt” a local charity or cause, and find out what they’re needs are. Schools are another good partner, as they are often in need of tutors, resources for in-class or extra-curricular activities, or expert advisors for various special interest groups.

Choose Your Suppliers Carefully. Do they use high levels of recycled content in their products, or source materials from sustainable producers? Have there been any issues with fair treatment of employees or unethical practices? And what are their CSR initiatives? Supporting a business that promotes causes you believe enhances their ability to make a difference as well.

Communicate, inside... If you have employees, find out what causes interest them. You may learn of a local family that needs help dealing with a severe illness, or was displaced by a fire or flood. Food drives or volunteering at local events is also a good way to get employees engaged in your CSR strategy.

...and out. Though making a difference is sufficient reward for being socially responsible, be sure to share what you’re doing with customers and colleagues. Notify local media of your involvement in an event or achievement of a milestone (e.g., 1 millionth pound of paper recycled), and promote them on your own company website, Facebook fan page, and e-newsletters. Making presentations about your CSR program to professional groups is another way to communicate your efforts, and enlist more participants as well.

You can learn other ways to incorporate CSR into your small business by contacting SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to

small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

When It Comes to Online Copy, It Pays to Write It Right

The Internet offers any number of ways for small business owners to connect with current and potential customers—websites, blogs, e-newsletters, Tweets....the list goes on and on.

However, none of these tools will be effective without thoughtful, well-written copy. Choosing the right messages about your products or services, and the right words to convey them, can make the difference between having visitors simply surf by your site, and wanting to learn more.

Don't worry if you don't consider yourself a "writer." Though there are professionals who can provide communication skills you may lack, anyone can prepare good, compelling online copy.

The first consideration is determining your audience, and the kind of information they're looking for. Your business plan research will give you a good start. Are they "John and Jane Q. Public," or people with a specific level of expertise? Are they local or regional, or do you want to communicate on a national or even global scale?

Once you've defined your audience, write your copy as if you were having a conversation with members of that specific group. For example, industry terms or acronyms may be OK if your audience is largely specialized. But jargon-laden copy will likely confuse and turn away more general readers. It may be worthwhile to incorporate a glossary of technical terms, or incorporate links to recognized sources such as Wikipedia that offer concise explanations. And if are going global, avoid words and terms that may be unfamiliar or inappropriate to other cultures.

Good website copy has to be compelling in order to capture and hold a reader's attention. Place your most important and interesting content prominently near the top of the page. Lead with eye-catching headlines, keep sentences and paragraphs short, and use subheads for longer articles. Few readers will bother scrolling through long blocks of text to find what they're looking for.

Because we read with our ears as well as our eyes, recite your copy aloud to make sure it flows smoothly. Often, what looked great yesterday may be dull and trite tomorrow. Always start re-reading from the beginning as if you're a first-time visitor to make sure you've covered everything, and that there are no disjointed thoughts.

Finally, proofread your copy for proper grammar and spelling. Don't rely solely on spellcheckers. You're also more likely to catch mistakes when proofing a printed version, rather than trying to do it on-screen. Asking someone else to proof your copy will also provide a valuable fresh set of eyes to not only spot mistakes, but also ensure your words fulfill their goal of attracting and engaging readers.

For more advice on marketing your small business, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Don't Let Disorganization Debilitate Your Business

Every January, thousands of small business owners across the country resolve to be better organized in the coming year. They've wasted too much time looking for information or pursuing tangents unrelated to their most pressing business needs.

Too often, these vows fall by the wayside. That's not necessarily a bad thing if the business is growing and the owner is busy. But poor organization takes its toll in more than just lost time. It also compromises the overall efficiency of your operations, reduces your profit through added costs and cuts into your competitiveness. And with personal time being so precious these days, having to sacrifice nights and weekends playing catch-up can take a physical and emotional toll as well.

What's the key to becoming better organized? Internationally renowned organizing and time management expert Julie Morgenstern says getting in the habit of daily planning is a good place to start.

"Entrepreneurs tend to be all over the place," Morgenstern says. "Choose a centralized online or paper planner and keep everything there. It's helpful to do your planning at end of the day for tomorrow and two to three days beyond."

Morgenstern also recommends setting personal weekly or monthly benchmarks, such as writing a certain number of articles or blog entries, or contacting a certain number of clients. "Make sure these benchmarks are measurable and track them," she says.

To make the most of each day—and, indeed, each hour—entrepreneurs also need to know how to prioritize their responsibilities. Morgenstern offers the following strategy for determining what should and should not appear on one's to-do list:

- **Delete.** See if you can delete the idea; that is, determine if it's worth the effort or if other versions are already in the works.
- **Delay.** It may also be possible to delay the idea to a time when you're not as pressured.
- **Diminish.** See if you can streamline the idea and complete it in a shorter time.
- **Delegate.** Finally, give the idea to someone else. That way it will get done and not throw your schedule off balance.

A variety of other helpful and innovative tips for getting organized are always available at Morgenstern's blog at juliemorgenstern.com.

To learn other ways to operate your small business more efficiently, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small

business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Outsourcing Opportunities Are Closer Than You Think

Outsourcing is a common practice in today's business world, but it's not the domain of large companies nor does it have to involve hiring workers other countries. Small business owners too can take advantage of outsourcing to take care of routine administrative tasks, handle work overflows, or find specialized expertise that may be cost too much to have in-house. Often, you can choose from several qualified service providers in your community or immediate area.

And even if you do outsource certain functions beyond your area code, email, long-distance, Skype, and other communication tools make staying in touch with your service providers as easy as if they were inside your office.

What functions are best suited for local small business outsourcing? Yahoo! Finance Network contributor Rod Little offers some suggestions:

Payroll. Instead of hiring your own accountant, or using your own time to figure payroll, outsource this function to a payroll specialist or payroll company. Little says that as a retailer, he was able to hire a payroll company for \$50 per month, plus a small fee for each check. "They prepared everything for me," he says. "That's one less thing for me to worry about."

Cleaning. You shouldn't waste too much of your own time cleaning, nor should you pay your own staff for basic cleaning, carpet shampooing, and similar work. There are many cleaning services that can do this job for any small business.

Marketing. Some of your marketing can be done by specialized companies. "I had a small staff, and very little time to market my two retail stores," Little says. He found a marketing company that prepared and shipped sales event fliers to advertise upcoming sales events for just a few hundred dollars, and did some Internet posting as well.

Web Design. Though WordPress and other packages have simplified the process of creating a website, consider the time saved by having an expert design and maintain it for you. Such a specialist likely has a wider range of experience than you do, and can elaborate on ideas and concepts that you may be unable to create. "When support issues arise, it's nice to be able to pick up the phone and call him," Little says of his specialist.

Phone Support. Servicing your product through local phone centers will be cheaper than hiring your own staff to take phone orders. Directories or web searches for call support in your state will help you identify firms that specialize in serving small businesses.

To learn more about successful ways to outsource tasks, contact SCORE "Mentors to America's Small Business." SCORE is a nonprofit organization of more than 12,000 volunteers who provide free, confidential business mentoring and training workshops to small business

owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Anatomy of the Partnership Agreement

The partnership has been the foundation for millions of successful small businesses. Unfortunately, it has also been the source for innumerable disputes, arguments, irreparable relationships and lawsuits, all of which exacted economic and personal costs on the people involved.

Many of these problems can be avoided if partners invest some time at the outset to discuss and agree upon their respective responsibilities and obligations to the business. Those decisions should be documented in a legally binding partnership agreement.

Though not required by law, a partnership agreement can help eliminate uncertainties and assumptions that can and have doomed otherwise mutually productive business relationships. While the partners can make their agreement as general or specific as they feel is necessary, here are six key issues every agreement should address:

- **Percentage of Ownership.** This isn't always about cash. Some partners invest with little intent to play a major role in the business. Other times, partners bring specific skills, contacts, equipment, ideas, or other resources without which there would be no business.
- **Allocation of Profits/Losses.** Will they be divided according to ownership interest? And will some partners be permitted to take draws—an “off-the top” cut of profits?
- **Binding Power.** Because any partner can legally bind the partnership to a contract or other liability, the agreement should specify what is needed to bind the partnership to an obligation. Also consider if that power should be limited by person or area of responsibility.
- **Making Decisions.** Two or more heads may be better than one, but who has oversight over what function, and who has the last word?
- **Death/Departure of a Partner.** A buy/sell agreement establishes a method by which the partnership interest can be valued, and the interest purchased by either the partnership or individual partners.
- **Dispute Resolution.** A mediation clause will provide a procedure to prevent a conflict of any size from paralyzing the company.

Because of their inherent complexity, partnership agreements should be drawn up with the assistance of an attorney. You can start putting some of the pieces in place by consulting SCORE's website, score.org, which contains checklists, templates, and other tools for crafting comprehensive partnership and LLC agreements. You may not be able to address every eventuality up front, but the extra investment in your agreement will help minimize uncertainty, allowing you and your partners to focus on growing a successful small business.

To learn more about partnership issues, contact SCORE “Mentors to America's Small Business.” SCORE is a nonprofit organization of more than 12,000 volunteers who provide

free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Use Caution When Storing Data in the “Cloud”

Businesses used to fret about sensitive documents, often keeping stored under lock and key in safes, desks, or file cabinets. Today, so much data is exchanged electronically that hardcopies are usually produced only when necessary. But the need to protect this information is more important than ever, particularly since so much data is being stored in the “cloud”—on Internet servers rather than on-site.

Already, nearly a quarter of small and medium-size business data resides in the cloud according to software security firm Symantec.

While cybercriminals rank highest among the threats to cloud-based data, Symantec recently assessed the many routine ways by which file-sharing can increase the vulnerability of sensitive data falling through a proverbial “digital crack” and ending up in the wrong hands. Among them:

Mobile Devices. Symantec found that 54 percent of employees are now relying on mobile devices for line-of-business applications. Because employees may be using their own phones or tablets, it can be difficult for companies to control data that is accessible by mobile devices. Countermeasures such as remote wipe (erasing all data on a device from a separate location) or locking access to shared folders can help prevent data breaches, and limit the damage in case a device is lost, stolen, or misplaced.

Competitors. More accurately, the source is a former employee passing data to a competitor. According to Symantec, more than half of employees who stole intellectual property, did so by using email, remote network access, or network file transfer to remove the data. A small business should establish clear policies on data ownership, and aggressively pursue any employee who violates them.

Cloud Vendors. When evaluating cloud vendors, make sure you can instantly remove access or wipe information once an employee leaves. Also assess how much the vendor emphasizes data privacy and security. A small startup vendor may be less expensive than a well-established firm, but also lack the resources and commitment to fully protect their customer’s data.

A good source with keeping up with cloud security trends and protective measures is the Cloud Security Alliance (cloudsecurityalliance.org), a not-for-profit organization dedicated to promoting the use of best practices for providing security assistance within cloud computing. The website offers several downloadable guides and report to help you shape a security strategy suitable for your small business.

To learn more about technology issues facing your small business, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than 12,000

volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.

Make Strategic Planning a Team Effort

What does the future hold for your small business, and what can you do about it? These are questions that every entrepreneur would love to have answered. And the best way to find them is by drawing on the experience and insights of your management team or advisors in an intensive growth planning session.

Consultant John Jantsch, founder of the Duct Tape Marketing Network, says these sessions provide opportunities to “ask tough questions, explore new opportunities, and embrace changes” necessary in order to realize a growth strategy. Jantsch himself sets aside a day each year when he and his staff focus exclusively on planning. “It’s our day to say what if and why not,” he says. “It’s the time to set the course for next year and perhaps realign the vision for the next three to five years.”

Here are some outcomes and benefits that a “planning day” can offer any small business:

Fewer Priorities. By thinking bigger and then thinking realistically about what it might take to overcome obstacles, “we naturally start eliminating things we should not focus on in an effort to make room for only the highest priorities,” Jantsch says. As a result, his team narrows the number of priority objectives to three, allowing them to aim higher and stop doing low-priority things.

Embrace Results. Objectives are fine, but what do you get when they’re achieved? “By creating a list of ‘what we gain’ if we win, and by contrast ‘what is costs’ if we lose, we create the motivation to overcome constraints and stay focused on results as a team,” Jantsch explains.

Commit to Change. If your stated objectives for the year don’t have you asking what needs to change in order to achieve your objectives, you are limiting your thinking. “All growth involves change,” Jantsch says, “You have to commit to how that’s going to happen, or your objectives will dissolve into frustrating reminders of failure.”

Create Owners. Every objective will naturally spin off a list of projects: things that need to be done, new products and positions, or new processes. Part of your planning day must include identifying these projects, and assigning someone responsible for moving it forward.

Focus on High Payoff. Identify the highest payoff work for everyone in the organization. “This is how you properly assign tasks and stay focused on what matters most,” Jantsch says. “The three or four high payoff tasks will differ for everyone in the organization, but they become a ‘go to’ as you plan your week.”

For more good ideas for shaping the direction of your small business, contact SCORE “Mentors to America’s Small Business.” SCORE is a nonprofit organization of more than

12,000 volunteers who provide free, confidential business mentoring and training workshops to small business owners. To find the SCORE chapter nearest you or to chat with a mentor online, visit www.score.org.