

6 Steps to Small Business Success

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1. Start Smart. Identify a niche. Don't compete to be the lowest cost provider. Look for what makes your product or service unique and adds a special value for the client and charge for that value. Every business has many facets. Start with what you know and like; start a business that has meaning to you. Keep in mind that we don't know what the future holds, many of the jobs and businesses of tomorrow don't exist today. You can create your own success.

Now is the time to dream. To start smart, you should like the idea of the business. The way to earn a good income and build wealth is by serving clients well, making their life better in some way—it's more than filling a need in the marketplace. To succeed you want to test the idea to make sure your potential clients like the idea too. Test your ideas.

2. Set up Systems. The most basic system every business should have is a good financial system. Ask yourself how am I going to generate enough income to support myself and my family. Begin here. Put together a personal budget, so you know what it costs you to live. Now, you can move on to the business budget and sales planning, so you can see how many sales you need to break even and make a profit. The start-up expense plan, operating budget and your accounting software are vital to your success.

3. Seek out Sales. The daunting question is how do you go about seeking out your first sale. Recognize that since you don't have a big ad budget to be seen by everyone, you need to target a niche and get connected in your market community, be it local, regional or national. You need other people selling for you—not employees—goodwill referrals. Get out and talk to as many people as you can. Join organizations that would have clients for your product or service. Become a visible part of your market, and then ask for the sale. You begin the sales process with people that you know. Yes, it's okay to start with friends and family as your first customers, and then broaden from there.

4. Aim for Growth. The basic tenant of creating a company is that you own the company. You are not just creating a job for yourself. It's less risk and less investment to get a job. Building a business is creating a company that is more than the job itself. Think about the future. How large do you want the company to be in terms of sales, net profit and employees? Your answer to each of these questions will influence how you grow. There are varying costs and profits associated with growth. It's important to make a deliberate choice early about how you want to grow your company.

5. Leverage Opportunities. Good luck. Good fortune. Good timing. All play a part in business. As a business owner, be very clear about your core focus for the business and how it serves clients. Your core business is what pays the bills. Then, as an entrepreneur you are about opportunity. When you see a potential opportunity or stroke of luck measure it against your core business focus. Good fortune is great, when it matches your vision for the business. Always consider if a good opportunity is the right fit for your business. If something looks great, but it's not in sync with your long-term plan and budget, think carefully before committing your company's resources.

Take advantage of good opportunities that make sense for you long term. A perfect example is McDonalds. Ray Krock started a small business that became a large franchise network with a consistent product, consistent systems and an ability to seize opportunities such as the Arch card and offering healthy salads to meet the interests of today's consumers.

6. Plan Your Exit. Someday you may want to sell your business or retire from business. Today, ask yourself what's next? How can I have an asset in the future that someone will buy? If you are going to sell someday, you have to have something to sell—a plan, vision, business on the books, equipment and systems. Whether you have been in business for one week, one year or 15 years—look ahead to what the business itself will be as an asset. Your business has value, value you are creating today. To sell or distribute equity in the business you need to have it down on paper and keep good financials. Know the worth of your business, so you can know the value it can bring to your future wealth and/or retirement.

If you would like FREE business counseling, please contact the Lynn Area Chamber of Commerce staff at 781-592-2900 or info@LynnAreaChamber.com