STARTING A SMALL BUSINESS is just the beginning of a complicated yet rewarding way of life for entrepreneurs. Evolving from having an idea to taking all the necessary legal steps to creating a small business is just the beginning. Once your business has been created, it’s time to focus on growing it.
The action of growing a small business includes many different subjects. Marketing, creating an online presence, getting financial accounts squared away, and building a loyal customer base is just the beginning. The challenge of building a small business into a successful endeavor is only exacerbated by a lack of one very important aspect: organization.

WHAT DOES ORGANIZATION MEAN TO A SMALL BUSINESS?

While there are many aspects of business organization, there are three crucial elements of small business organization:

**Time Management**
Includes managing employee schedules, scheduling meetings, creating business hours, learning to use your time wisely, outsourcing or delegating work, keeping track of upcoming holidays or surges in business, and shortcuts to increase productivity.

**Financial Management**
Includes management of payroll, management of financial accounts, tracking petty cash, preparing for upcoming expenditures, taxation, tracking cash flow projections, preparing loan applications, and determining correlations between income and marketing expenses.

**Customer Management**
Includes automating sale prices, collecting and storing customer information, the use of rewards or membership programs, tracking customer purchase metrics and sending invoices.

What all three of these elements have in common is a software counterpart that can further organize your business and make your job as an owner easier.

SMALL BUSINESS TIME MANAGEMENT

Where new small or micro-businesses fail with time management is assuming that since they are a small business with few (or even no) employees, there isn’t much to track. There are two flaws with this.

Firstly, if you consider just how much work is takes to run a business and how many different areas you devote your time to, you’ll soon realize that a small business owner has much more to think about and manage than a large company owner with many employees. The reason for this is that large companies can afford to have specific branches of employees dedicated to specific jobs. Oftentimes small business owners wear many hats. They juggle being an accountant, customer service rep, marketer and merchandise manager every single day.

When you spend so much time doing everything you not only lose sight of your goals but you are going to wear yourself out. Owning a small business doesn’t mean you have to do everything by yourself. It means you have to be even more aware of what you can handle, how to manage time to get those things done and when to delegate out other tasks.

Secondly, with no time management you are unknowingly limiting how large your business can grow. Even if you don’t wish to own a large business for whatever reason, this growth can also be measured in success based on what clients or customer you work with and your income. Without some type of time management in place, you are eventually going to get stuck...
with how many customers you can service, how many employees you can hire, how successful your marketing is and all in all, the longevity of your business.

Simply put, a lack of time management simultaneously limits your businesses success while burning you out. The best solution is to ditch the pen and paper, and instead, invest in a software program.

**Time Management Software**
While technology and capabilities of software vary, generally a good time management software for small businesses will include the following features:

- Ability to administrate projects
- Goal-setting capabilities with tracking
- Time tracking (i.e. employee timesheets)
- Yearly calendar options as well as daily, weekly, monthly and quarterly tasks
- Time management software comes in a web-based form or a desktop/standalone form. Whatever you decide to use, just be sure to back up all of your information to a cloud and to an external hard drive.

There are many different brands of paid-for time management and time tracking software available, some of which are purposely created for small businesses. There are also free management and tracking programs and even apps for smartphones.

**ORGANIZING YOUR FINANCIAL ACCOUNTS**
Finances are one aspect of business that makes some small business owners cringe. It goes without saying that organizing your financial accounts is vital. Not only can you lose money and eventually go bankrupt with badly kept financial accounts, but you can also face an audit or other severe repercussions when it comes to taxes.

Look to work with a professional and delegate the accounting and book keeping to them. If this is not in your budget, the next best thing is working with a part time bookkeeper who can supervise and give you advice. A lot of micro-business owners make the mistake of thinking they are saving money by doing all their own accounting but working with a professional can often times save you money in the end.

**Starting Off Your Accounts Right**
Here are a few tips to getting your financial accounts organized.

- **Separate Your Personal and Financial Accounts:** This is probably one of the most common errors small business owners commit, particularly those who run a solo business or service, or are a family run business. Before your small business is even up and running, create a separate business account or even just a separate checking account. Never use your business account for personal expenses. You need to properly deduct the amount from your business account and add it to your personal account just as any large business would.
- **Keep Track of Your Expenses and Income Right Off the Bat:** Another common error that often occurs when an entrepreneur is simply testing the waters of a small business is that they don’t keep receipts. Even if you are testing out a business idea, keep your income and expenses organized. If the business is successful and you choose to pursue it, you will need this information for tax purposes.

- **Invest in a Financial Software Program:** Again, software plays a huge role in organization. Even more important than time management software would be financial accounting software of some type. It is incredibly easy to lose track of expenses so start using a program right away. There are many different types of financial accounting software on the market, some of which are free with limited settings that would still be ideal for a small business.

- **Create a Financial Hard Copy Filing System:** Even if you use a financial software program, you’re still going to need a physical filing system to keep track of printed invoices, receipts, permits, patents, contracts, etc. Traditional filing cabinets still work beautifully, you just need to create a filing system that you will use. Create an easily identifiable system and also have an “Archives” drawer for things that aren’t going to be immediately pertinent but still shouldn’t be thrown away.

The secret to organizing your financial accounts is consistent maintenance throughout the year. Waiting until March to review the previous year’s finances is a big mistake. Try to spend about an hour each week reviewing your accounts and maintaining up to date records. This will make the paperwork burden much easier come tax season and you may even find some ways you can save yourself some money along the way.

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**ORGANIZING CUSTOMER INFORMATION**

Last but certainly not least is customer management. More specifically, the organization of customer information. Such customer information can include anything from the collection of a first name and email address from a visitor on your website to full contact information, address, birthdate, etc. from a customer on your membership program.

To begin with, most small businesses will only keep track of this information through two means — email and financial management programs that include sales and invoices. There are a few different flaws with this system. The first flaw has to do with relying on emails to track customer information.

Email, whether you’re using a Gmail account or a business email account linked to your website, can very easily fail and lose information. Even if you backup all emails to a Cloud or your hard drive, it is still an inefficient way to keep track of your customer’s contact information. Additionally, there is no way to track your customer’s purchases unless you go through each email. Micro-businesses or service-based business might just use an Excel-style spreadsheet which makes viewing multiple customers easy. However, there is still an issue of limitation on how much information you can include.

Relying solely on financial management software will limit your customer information collection and analysis. However, this may be acceptable for you if you have a very small client base or work primarily as a contractor.

If you are in retail, work closely with clients on many projects or have plans to really expand your business, you should consider using specific customer management software. This software is aptly referred to as Customer Relationship Management or CRMs.
When to Use CRM Software
If you:
- Have so many customers/clients you forget to interact with each of them,
- Use different types of marketing but don’t track the traffic from each of them,
- Have multiple types of income streams,
- Work with many clients/customers all over the world or in various industries,
- Don’t have a go-to database for all customers/clients, contacts, leads, and partners,
- Feel like you miss out on opportunities for sales, then you will likely be extremely happy upgrading your current customer information management to actual CRM software. The world of CRM software is evolving to make way for the increase in small businesses that are interested in CRM but don’t have the money to pay for services that aren’t applicable to them. There are many reasonably priced software programs on the market, some even free for basic features, that are ideal for small businesses.

CRM software is powerful. While many small business owners might be put off from how complicated the software might seem, don’t fret. The advantages of using CRM outweigh the disadvantages. You won’t lose the feel of a small business either. In fact, you can even increase your appeal as a small, welcoming business by using a CRM since you’ll be able to track customer information more easily and anticipate products or services they might be interested in. As an example, a customer is more likely to be loyal towards a brand that remembers his/her birthday and sends a coupon code to use.

Small business doesn’t have to mean you have to go without the latest in technology. More and more companies are creating small business-specific software in the form of desktop programs to mobile phone apps that all help streamline processes for business owners.

The topic of small business organization is so vast it’s nearly impossible to touch on everything in one sitting. There are hundreds of sources on the subject of organization that all have different yet effective techniques. The best way to determine what works best for you is to simply experiment.
ACCESS TO AFFORDABLE HEALTH, LIFE AND DENTAL INSURANCE

Representatives have a wide array of small business health insurance and financial products available to protect you and your assets, including Life insurance, Dental discounts and health insurance. Dental Insurance is provided by Renaissance Dental. Life insurance is provided by MetLife.

The Open Enrollment period for 2015 coverage is November 15, 2014 to February 15, 2015.

- If you haven’t enrolled in 2015 coverage by February 15, you generally can’t buy Marketplace health coverage for 2015 unless you qualify for a Special Enrollment Period. If you’re enrolled in a 2014 Marketplace plan, your coverage ends December 31, 2014. This is true no matter when your 2014 coverage began.

- To continue health coverage in 2015, you can renew your current health plan or choose a new plan through the Marketplace until February 15, 2015. If you want a new plan to start January 1, 2015, you must renew or change your plan by December 15, 2014. Learn about your 2015 options if you have 2014 coverage.

- If you don’t have health coverage during 2015, you may have to pay a penalty. The fee in 2015 is higher than it was for 2014 — 2% of your yearly household income or $325 per adult/$162.50 per child, whichever is more.

If you don’t have coverage in 2015, you’ll pay the higher of these two amounts

- 2% of your yearly household income. (Only the amount of income above the tax filing threshold, about $10,000 for an individual, is used to calculate the penalty.) The maximum penalty is the national average premium for a bronze plan.

- $325 per person for the year ($162.50 per child under 18). The maximum penalty per family using this method is $975.

Source: HealthCare.gov/marketplace-deadline/2015
NASE Member Benefits

Visit www.NASE.org to learn more about the following benefits!

RENAISSANCE DENTAL

Get exclusive access to dental plans that are designed to help you save money while maintaining a healthy lifestyle. PPO High and Low options are available.

How to Access this Benefit: Call (888) 791-5995 or click My Dental

Compare and Save with Renaissance individual or family plans. Enroll Today!

CVS CAREMARK PRESCRIPTION DRUG CARD - FREE FOR NASE MEMBERS

www.rxdiscounts.com/nase.html

The prescription discount program card is free – you can get it just for being an NASE Member! You can also call 888-436-3700 with questions or to fill your prescription. Start saving now on the medicines you need. Everyone can use the prescription discount card and save money regardless of income, age or insurance status. If you are uninsured or taking a drug that is not covered by your health plan, the prescription discount card can save you up to 55% on your entire household prescriptions needs including your pets! Did you know that the prescription discount card:

- Provides an average savings of 20% per prescription*
- Is accepted at over 59,000 pharmacies nationwide
- Has already saved cardholders more than $475 million on prescription drug costs
- Covers your entire household
- Never expires!

The prescription discount program card is free – you get it just for being an NASE Member!

This is not insurance.

MetLife

$10,000 TO $20,000 INCLUDED TERM LIFE INSURANCE FOR NASE MEMBERS

Your NASE Membership provides you and your family with Principle Member Group Term Life Insurance Coverage from MetLife for no additional cost. No additional contribution is required from the member in order for this insurance protection to be provided.

Members Basic/Dependent Term Life Insurance Coverage:

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Sixty-day waiting period from date of joining the NASE required. At age 60 benefits reduce 75% and then cancel at age 65. Visit the MetLife benefit page for details.

All Members should login and download the MetLife Term Life beneficiary form. Designate a beneficiary for your life insurance benefits and return it to NASE at P.O. Box 241, Annapolis Jct., MD 20701-0241.

Like most group life insurance policies, MetLife group policies contain certain exclusions, limitations, terms and conditions for keeping them in force. Please contact NASE Member Services for complete details and a copy of the policy.
Ask the Expert

Q: I am struggling with the Affordable Care Act and how to guess what my income will be for 2015. My 2014 tax return is not completed yet so I am using my 2013 tax return as a guide. Which numbers should I use to determine if I am eligible for a subsidy? Do I use the gross income from my business or do I also count expenses?

A: Your question is a very good one and although it may not help very much, you are certainly not alone in your confusion. The first key point to remember is that the definition for the income for the subsidy calculations includes your entire household income, so starting with your most recent tax return that includes your spouse’s income is a great idea. Start with the amount on Line 37 of your Form 1040, U.S. Individual Income Tax Return which is titled Adjusted Gross Income. The amount needed for the estimated ACA total is titled Modified Adjusted Gross Income so you may need to make a few additions. If you have any non-taxable interest income such as related to certain municipal bonds, non-taxable social security benefits or any foreign income that was excludable from U.S. tax, those amounts will need to be added back to your adjusted gross income to arrive at your modified adjusted gross income.

Make sure to update any amounts that you know will be different in 2015 than you experienced in 2013 or 2014. Take some extra time and actually put pencil to paper. Determine the effect of any new customers to your business or lost customers. Guess which specific expenses will be lower or higher. And don’t forget other income such as your spouse’s income, investment income, capital gains and losses, etc.

The better estimate you can provide on the front end of the application process, the less likely you will be to experience headaches later.

There are a number of good websites that can help you with the amount of the subsidies depending on the size of your household and the modified adjusted income estimate that you provide. The U.S. Centers for Medicare & Medicaid Services maintains a very good website at HealthCare.gov and the Henry J. Kaiser Family Foundation has a great site with detailed calculators as well at KFF.org. More specifically you can navigate straight to the Kaiser Foundation subsidy calculator. Perhaps the most important thing to remember here is that you are not alone.

Literally 23 million small business owners just like you are facing many of the same challenges as we move forward under the ACA. There are certainly pitfalls within the plan along with lots of benefits as well. We will continue to fight in DC for the voice of the self-employed and will be here to help in any way we can. Bookmark our website at NASE.org, as well as, the Kaiser Foundation site and the HealthCare.gov site and you will always be able to find the help you need. Don’t forget that over 70% of all new jobs in this country come from small business owners just like you, so keep up the good work.
Elena Hines, Owner of Golden Leaf Café located in Menomonie, Wisconsin has been a NASE member since 2013. Elena enjoys all the benefits of the NASE, but especially likes the newsletters and everything the NASE is doing to keep members informed about what is going on in the small business world and in Washington D.C.

What inspired you to enter the field you are in?
My inspiration and passion has always been for food so naturally a career in the food services industry was something I envisioned for my life.

When and why did you start your business?
Six and a half years ago, I got the opportunity I had always wanted and I started Golden Leaf Café. I had always wanted to have my own business and run a café and when the opportunity final arose, I was eager to begin.

What challenges have you faced in your business? How have you overcome them?
Financial challenges have been the most difficult for us when we got started and even as we continue to operate through this unsteady economy. I go to great lengths to ensure I am using money wisely and making the best decisions possible for my business. The Growth Grant from the NASE has also helped us greatly.
What have you done with the Growth Grant?
The Growth Grant has allowed me to purchase a grill and freezer. I have been in need of these for a longtime and believe they will be the catalyst for the café to grow and expand.

How has it changed your business?
We just got them in place last month and it seems to be going well so far. We expect that after the winter, we will begin to notice a difference. It has allowed us to expand our menu and offer new types of food like our breakfast bowls.

Speaking of winter, does the weather impact your business?
Yes, as you can imagine, winter in Wisconsin can be quite cold and snowy and thus we see smaller numbers during this time of the year. We start to see our numbers rise in the spring and then the summer months are our busy season.

How do you market your business?
We have a website and social media presence on Facebook, but the majority of marketing is word of mouth from satisfied customers. We strive to make our customers experience at Golden Leaf very memorable and enjoyable as we believe if they had a good experience, they will tell their friends.

How many full- and part-time employees do you have?
Currently, I have one full-time and four part-time employees plus myself. I do everything myself from roasting coffee to purchasing supplies to cleaning the bathrooms.

What’s the best thing about being self-employed?
The best part about being self-employed is that it allows me to bring out my creativity and share it with others. It has also proven to me that I have even more creativity within myself that I did not know I was capable of. It allows me the freedom to do what I like and experience various things that I may not have otherwise done.

What’s the best compliment you’ve ever received from a client?
A customer once said to me, “What’s not to love about this place” and that made me very happy to hear that customers are enjoying the café and it reaffirms my passion for running the cafe.

What’s the most important piece of advice you would give to someone starting their own business?
My advice is that make sure you have done your research and saved up enough money before you start. There are many challenges that you may not plan on, saving up money or having a spouse with a source of a second income can be very helpful.
The midterm elections mean a Republican majority with a vastly different congressional agenda. As many anticipate this new set of legislative priorities, there’s much discussion around the potential for a “grand bargain.” Polls have consistently shown Republican and Democratic voters overwhelmingly united on one key issue — growing America’s economy.

There is no greater economic engine for our economy and job growth than the mom-and-pop businesses lining America’s Main Streets. From plumbers to consultants, the small-business community represents the heart of the middle class — and a prime area where Congress and the White House can work together to find common ground.

The issues the new Congress can address are vast when it comes to America’s small-business community. At every turn, roadblocks remain, hindering the growth and expansion of small business from blue states to crimson congressional districts across the country. If Congress and the administration want to come together and tackle the biggest issues facing the economic engine of America, here are three areas where they should start:

Providing Access to Affordable Health Care

Despite the challenges of the Affordable Care Act, the new health care system is the law of the land. Unfortunately, premiums for health care coverage have not been reduced to affordable levels for many small businesses, some of which have elected to take the penalty for not enrolling. In order to provide affordable health care for all small businesses, Congress should adopt a new, less-expensive tier of coverage — the copper plan — that would require plans to cover 50 percent of medical costs, 18 percent less than currently available bronze plans.
Expanding the Flexibility of Effective Health Care Tools

Further reducing options for small businesses, the ACA has changed the use of Health Reimbursement Accounts. A powerful and effective tool for small businesses, HRAs have long offered small business employers a way to offer financial assistance for medical costs — such as co-pays, prescriptions and deductibles — of their employers, even if they are unable to cover a group plan. By clarifying these rules — through bipartisan legislative action — Congress and the administration has the opportunity to expand the applicability of HRAs as a means of providing financial relief to employees, as it relates to out-of-pocket health care expenses.

Fair and Simple Tax Reform

One of the often-discussed priorities of the new majority is reforming our nation’s tax code. Unfortunately, much of the discussion about tax reform usually centers on corporate tax reform. But in order for our economy to strengthen and benefit the full workforce — small and large businesses alike — our nation must move forward with a comprehensive approach to tax reform that makes our code fair and simpler, and includes individual tax reforms. These individual changes are small tweaks that can be included in any large, comprehensive package and are fertile ground for bipartisan cooperation on any reform package:

- Amending the definition of “employee” to include an owner of a sole proprietorship to take advantage of additional benefits;
- Simplifying the definition of an independent contractor to clarify a workers’ status;
- Streamlining the deduction process, such as creating a standard schedule C-Z by expanding as many deductions as possible for business expenses.

Our Message to Congress:

Listen to all of the American people by supporting policies that help grow our economy and create jobs. If Democrats and Republicans want to come together to move our country forward, they can start finding common ground by advancing the priorities of America’s smallest business community.

Katie Vlietstra is NASE’s Vice President for Government Relations and Public Affairs; You can contact her at kvlietstra@nase.org