Starting the New Year Right

5 Tips for All Small Business Owners
Every year we promise ourselves that this year we'll lose those extra pounds, we'll give up a bad habit or we'll be more organized. We join a gym, we chew gum instead of smoking and we buy multi-colored folders and one too many cabinets. By mid-January, we stop going to the gym, are enjoying being couch potatoes and resort to leaving all our files scattered on the floor.

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Unfortunately, many small business owners partake in a similar philosophy; namely, not sticking to the routines that create successful businesses. However, simplifying the approach can dramatically alter any entrepreneur’s methodology. Keeping the process simple ensures you’ll keep at it, thereby increasing your chances to succeed.

Here are 5 simple tips to getting your business off on the right foot for 2018:

1. **Re-Establish Relationships**

Client retention is as simple as saying hello via email and/or picking up the phone. **Soft skills** are a major component of any small business owner’s dossier, but it is often times difficult to ascertain how to engage others. The subsequent question becomes, *How do you reconnect with someone you haven’t spoken to in a while?* We call it the innocuous lead-in:

- **Via Email or Phone Call:** Relate back to a previous matter you had (the new year is a great opportunity to reconnect). From there, ask to meet up for coffee or lunch.
- **Have a third party reconnect you via a call or after work drink.**
- **Create a Newsletter for all your contacts with relevant information pertaining to your business.** Whether it be weekly, bi-monthly or monthly, be consistent. Keeping your contact list up to date via blogs and current project announcements is a great way to maintain relationships.

2. **Outline Your First Quarter**

In our experience, we’ve found that most corporate and non-for-profits begin allocating budgets for new projects within the first quarter of the year. As such, it is imperative to outline a plan of action as soon as possible.

Alternatively, the first quarter should be when you are establishing your goals for the new year.

Below is a first quarter to-do listing example for a service-type business owner:

- Identify all the relevant RFP (Request For Proposals) that you want to submit.
- Schedule meetings with potential clients and businesses that you seek to work with.
- Give yourself realistic deadlines to meet metrics. Get a whiteboard, outline your goals and revisit it weekly.

3. **Get Proactive With Outstanding Internal Action Items**

Whether you have just started your business or have an existing business, there is no such thing as down time. If you aren’t closing on business, you are trying to obtain more business or you are working on organizing your business. NO business can succeed without a protocol system that is both manageable and user-friendly.

What is your system for doing your accounting? Are your transactional letters templated? What contracts do you use, and how often do you update them? What is your standard operating procedure for a new client? Your “down time” needs to be devoted to creating the procedures and documents that will address these concerns.
How do you train a new employee if there is no system to follow? How can you efficiently run a business if you always have to create a proposal from scratch? Formalize your business into a machine that can save your most precious commodity, TIME.

4. Get Frugal

At the corporate level, you are spoiled with a human resource department, an accounting department, an IT department and a legal department. As a small business owner, you don’t have these luxuries. Consequently, you will need to develop many skill sets that are completely unrelated to your service or product. The truth is, being self-employed means you need to learn how to manage all aspects of business. You either learn, or you fail. Survival rates vary, but the Bureau of Labor Statistics does provide these charts: https://www.bls.gov/bdm/entrepreneurship/entrepreneurship.htm

In an article by USA Today, it is argued that small businesses fail due to undercapitalization. https://www.usatoday.com/story/money/business/small-business-central/2017/05/21/what-percentage-of-businesses-fail-in-their-first-year/101260716/

You have to be great at your service or product, being mediocre or average is not enough. This foundational premise is absolute.

WHY?

No business survives paying third parties for all services appurtenant to operations. Keep this as a guideline, you have no business until all the costs associated with your service and/or product are covered completely by your client. Until then, you have a work in progress, and should maintain a second job or have savings you can dip into. “Down time” is when you organize and learn the processes that are required to succeed.

This doesn’t mean you don’t hire an accountant to do your taxes; however, your day-to-day accounts/receivables are something you should be managing. It doesn’t mean you don’t utilize an attorney for reviewing convoluted contracts; however, you should be able to read a lease and know how to create a basic agreement.

Cutting out the fat is understanding that growing your business means learning how to do business. Why pay a third party to do your website when you can do your own site for free online? We won’t list them here, but these sites are built with non-tech savvy individuals in mind.

All this refers back to the notion that as a small business owner, there is no such thing as down time. When you aren’t closing, or securing new leads, you are working on the templates and protocols that will make your business grow.
5. Prep Your Taxes

Tax time is coming, and you should be prepared. The running theme throughout has been being proactive. Get in the habit of preparing quarterly reports, following up with outstanding invoices (send reminder letters where applicable), reconciling your accounts weekly and implementing a system that works for you.

What are your expenses?
What is deductible?
What isn’t deductible?

Understanding these questions will help you make smart decisions in your day-to-day approach. Also, having a clear system in place makes your accountant’s job easier, which in turn saves you money.

Entrepreneurship is not for everyone, and you must be honest with yourself from the outset. You must be willing to sacrifice, be frugal and learn many skill sets that you’ve probably never had to think about before.

Forget the statistics, and know that your business will grow if you are great at your service/product, you create substantive partnerships with like-minded businesses and you create the procedures to streamline processes and reduce costs.

No business is an overnight success, they are built over time with proper planning, best-in-class service and formalized processes.

ABOUT THE AUTHOR

Jazlyn Carvajal and Dr. Ian Marrero are co-founders of Stay On Your Daily (SOYD). As a comprehensive consulting firm focused on business development, SOYD is committed to providing the necessary platforms and deliverables for your business.
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Frequently Asked Questions
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- Up to 34% on UPS Air letters
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- Savings begin at 75%* on UPS Freight® shipments over 150 lbs. 50% on UPS Next Day Air®, UPS Next Day Air Saver®, UPS Worldwide Express® export, UPS Worldwide Saver® export, and UPS Worldwide Expedited® export shipments for up to four weeks after you enroll.

Visit savewithups.com/nase for specific services and discounts. Click here for details on Introductory Program discounts.

REQUEST A HEALTH INSURANCE QUOTE

The 2019 Open Enrollment Period runs from November 1, 2018, to December 15, 2018.
Plans sold during Open Enrollment start January 1, 2019.

Request a Health Insurance Quote Today!

The ACA penalty for being uninsured still applies in 2018. There won't be a penalty for people who are uninsured in 2019 and beyond, but penalties for people who are uninsured in 2018 will be assessed on tax returns filed in 2019.

Source: https://www.healthinsurance.org/obamacare/obamacare-penalty-calculator/
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Get Publicity
As a founding member of the Small Business Roundtable (SBR), a coalition of small business organizations charged with advocating and promoting sound small business policy, we joined with other organizations to conduct a post midterm election poll that found small business owners are concerned about the impact the 116th Congress will have on issues important to them. The poll commissioned by SBR was comprised of 445 small business owners from across the country in the days immediately following the midterm elections.

Results from the poll clearly demonstrated how small business owners felt about issues important to them, such as the need for the 116th Congress to immediately focus on fixing the Affordable Care Act by tackling health care affordability and access to quality care which continue to plague America’s entrepreneurs. 31 percent of respondents said they want Congress to address health care, more than double any other public policy issue asked about in the poll. After attempts to repeal the health care law, policy discussions about how to fix the existing law and make it work better for all Americans were unfortunately left on the cutting room floor.

We remain supportive of the Affordable Care Act and encourage the next Congress to address it by working together to fix its shortcomings. Small business owners and entrepreneurs care about quality, affordable health care for not only themselves, but also for their employees and coworkers. In fact, newly instituted rules allowing for greater flexibility in the use of Health Reimbursement Arrangements (HRA) — an issue the small business community has been advocating in support of for years — is just one example of how we can work together to offset rising health care premiums while strengthening the ACA.

A distant second in our SBR poll (15 percent) indicated that they desire action on tax reform and simplification. The major tax legislation passed late last year is about to turn a year old; yet, the real impact is still yet to be determined for many small businesses. But, still half of the small businesses who took the survey indicated that the new Congress will hurt the impact of tax reform, while 34 percent believed they would have no impact on it.

As the leading advocate for the nation’s self-employed, we supported the new tax law and have argued that its passage offers more simplification in the process, saving time and money for small business owners. But at the same time, many small business owners are unsure how to make it work for them. In an NASE survey conducted earlier this year, an overwhelming majority of poll takers didn’t completely understand how the law would impact their business. Many felt the government didn’t adequately prepare them for how to make the law work for their businesses.

It is critical for the 116th Congress to work across the aisle in a bipartisan way to help support our nation’s small business community. Good solutions know no party labels and the millions of self-employed small business owners we represent — and those members of the Small Business Roundtable — want the same kind of collaborative, results-oriented action they employ to achieve business success coming from this new Congress.

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