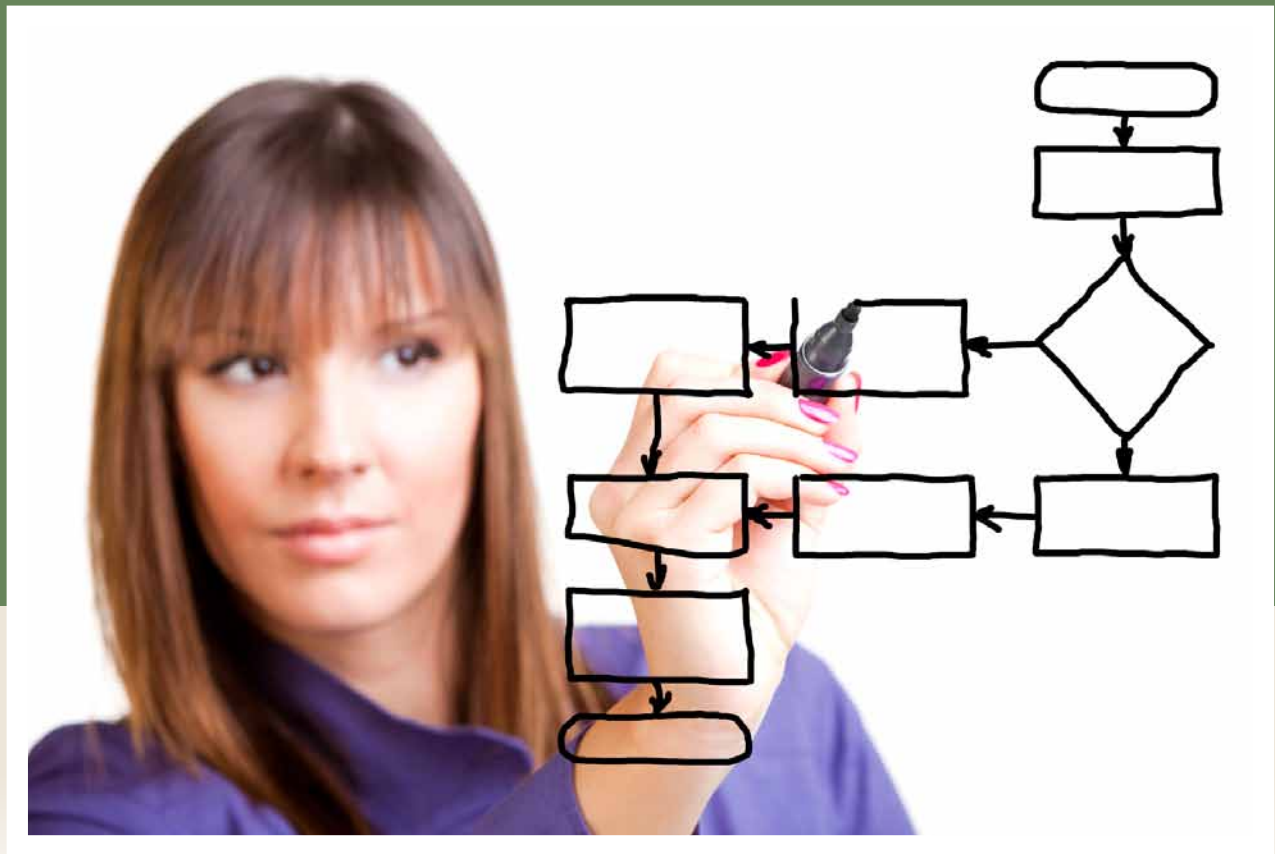


# Best Practices and Strategies for Small Business Success



**Community**  
Futures  Chinook

Copyright © 2011 Blue Beetle Books  
*Best Practices and Strategies  
for Small Business Success*  
Vaughan, Ingrid; Business Writer  
Published as an eBook original by  
Blue Beetle Books.

No part of this eBook may be reproduced in  
any manner whatsoever without the written  
permission of Blue Beetle Books.

**Blue Beetle Books**

204-900 Wollaston St., Victoria, BC, V9A 5B2

Tel: 250-704-6686

E: [info@bluebeetlebooks.com](mailto:info@bluebeetlebooks.com)

[www.bluebeetlebooks.com](http://www.bluebeetlebooks.com)

[www.smallbusinesssuccess.ca](http://www.smallbusinesssuccess.ca)

# Best Practices and Strategies for Small Business Success

## Table of Contents

Introduction.....	4
<b>EFFICIENCY</b>	
<b>Making Minutes Matter - 12 Ways to Create More Time in Your Day.....</b>	<b>5</b>
<b>The Rule of 5 .....</b>	<b>7</b>
<b>10 Things to Do When Business is Slow .....</b>	<b>9</b>
<b>Eat the Frog – Effectively Setting Priorities.....</b>	<b>11</b>
<b>Tips on Effectively Hiring Freelancers .....</b>	<b>13</b>
<b>MANAGING STRESS</b>	
<b>Stress Strategies .....</b>	<b>16</b>
<b>Beating Burnout Before it Begins .....</b>	<b>18</b>
<b>Desk Bound - Maintaining Your Health When Sitting at a Desk All Day.....</b>	<b>20</b>
<b>MANAGEMENT</b>	
<b>Committed to Development.....</b>	<b>22</b>
<b>The Small Business Owners’ Management Conference.....</b>	<b>24</b>
<b>Ten Common Business Plan Writing Mistakes .....</b>	<b>26</b>
<b>Getting Your Bank Manager to Say “YES”! .....</b>	<b>28</b>
<b>Why Businesses Fail - Spotting the Warning Signs Of Business Failure .....</b>	<b>30</b>

# Introduction

*We're all busy people, which is why the Small Business Success Library of books is a great way to get your hands on a lot of information, vital to your success, in easy bite-sized pieces. This anthology will give you lots of great, hands-on strategies for running your small business.*

*This ebook is presented in 3 sections: Business Efficiency, Stress Management, and Business Management.*

*In the first section, you'll learn 12 Ways to Create More Time in Your Day, something appealing to every business owner. The Rule of 5 and Eat the Frog will help you with goal setting and prioritizing, and 10 Things to Do When Business Gets Slow will give you some ideas on how to manage your minutes when there's not as much to do, so you'll still get a lot done.*

*All small business owners manage a lot of stress, so the second section gives you some great strategies on effectively managing your stress, avoiding burnout, and staying healthy in spite of the often crazy demands of running your business.*

*In the third section, you'll find a variety of ideas to help you better manage your business. Two articles on development – Committed to Development and The Business Owner's Management Retreat – will help you to look at ways to build development into your business plan so you don't miss out on fabulous learning opportunities just because you're a small business owner. If you've thought about expanding your business, the articles on Business Plan Mistakes and How to Get Your Bank Manager to Say Yes will help you to put together a solid business plan to move you forward. Finally, preparing yourself for failure might seem like negative thinking, but knowing the early warning signs of business failure really does position you for success because you'll see the symptoms long before the terminal illness hits, giving you time to mitigate any impact.*

*Small business owners face a multitude of challenges, and we're always looking for ways to provide strategies for success. This business strategies anthology will do just that – provide you with tools and information to lead your business toward growth and success.*

**Ingrid Vaughan**

Business Writer



# Efficiency

## Making Minutes Matter




### 12 Ways to Create More Time in Your Day

**A**sk any small business owner what they wish they had just a little more of every day, and the answer is probably TIME. In an age where we have more time-saving gadgets than at any other time in history, most of us feel we have less time than ever before. Of course, it isn't true that we have less time; there are still 24 hours in every day, and each of those hours has 60 minutes. We have just as many daylight hours as we did hundreds of years ago, only now we also have electricity to extend our productivity. All of us make choices each day about how we use the hours in a day, and if we're living a balanced life, those choices will reflect our values and priorities. But many of us, at least sometimes, find ourselves wasting or frittering away precious minutes without even realizing it. Those minutes, added together, could give us extra time to spend with our kids or family, to get badly needed exercise or to just utilize in ways to increase our mental health. If you find yourself constantly running

short on time, here are some tips on how to create minutes in your crazy, hectic day.

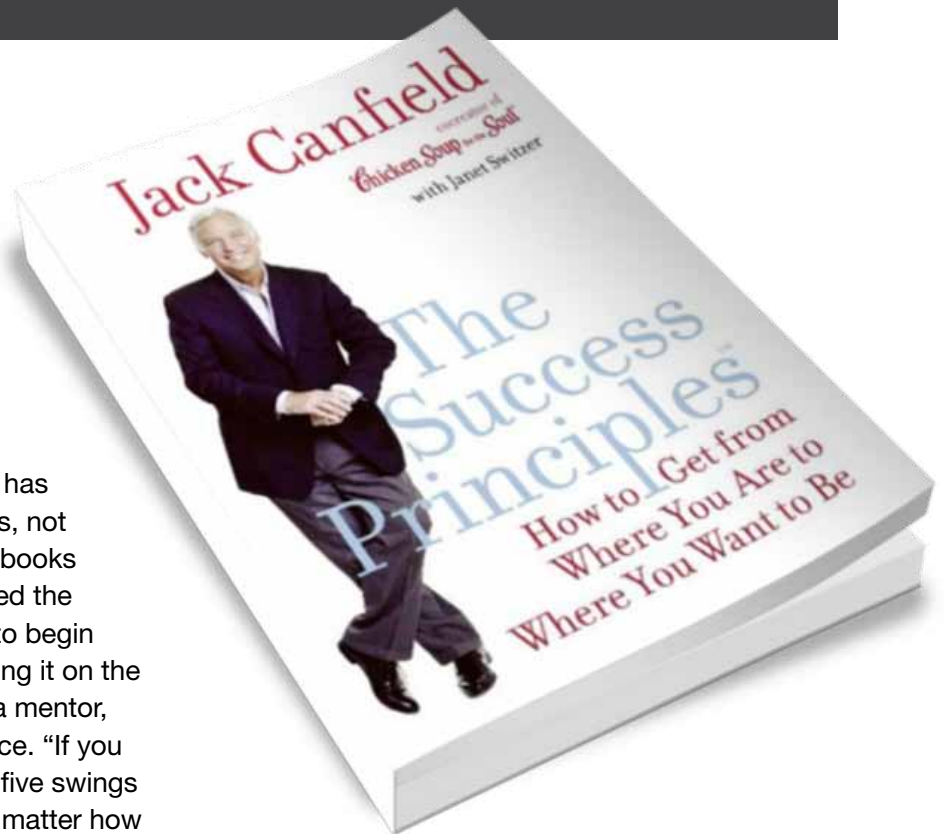
- 1. Make a “to do” list every day and review it often** – there's no way out of this one. Whether you're a list-maker or not, you will be more productive if your daily tasks are clearly set out for you, and if you review and revise often according to how your day is going.
- 2. Use your “spare” minutes wisely** – all of us have them – those minutes you spend in the bank lineup, waiting at your doctor's office, sitting in traffic or driving to and from appointments, all add up. Whenever you leave your office, take things with you that you can do in ten minutes or less – an article you need to read, the staff evaluation you've been meaning to do, brainstorming to solve a business problem – make use of minutes that otherwise trickle away.

3. **Turn driving time into learning time** – most of us wish we had to spend less time in our cars, but you can turn that time into learning time. Always have motivational or educational CD's or MP3's in your car so that driving and waiting time becomes learning time. You can take an entire course in your vehicle as you drive to and from meetings, soccer games and music lessons!
  4. **Learn to say no and delegate** – you don't have to do it all, and learning what you can and can't do is vital to your productivity and your sanity. Delegate the things you don't need to do yourself, and learn to use the word NO more often.
  5. **Use your natural work rhythms to your advantage** – recognize when your peak productivity hours are. Are you a morning person or are you most productive after dinner? Plan your most difficult tasks during your natural peak hours and you'll get more done in less time.
  6. **Communicate your schedule to others** – so much time is wasted when someone else in your life schedules an appointment or activity at the same time as another event already on your agenda. This requires time reorganizing, re-prioritizing and rescheduling when a family calendar at work or an office calendar at home could have eliminated that stress.
  7. **Try to consistently get better sleep** – depriving yourself of a good night's rest to get something done is counterproductive. The time you think you saved the night before is actually robbing you the next day. Your fatigue from lack of sleep will make you less productive the next day.
  8. **Don't rush through tasks** – trying to get things done too quickly often results in having to redo them, or spend more time fixing mistakes later. Taking a little extra time to do a task well initially will prove more efficient than the time you'll spend redoing it the second time.
  9. **Ask questions often** – if you don't know, don't spend hours trying to find out yourself when someone else already has the answer. Pick up the phone, send an email, ask for help. This can save you hours of time.
  10. **Don't rely on your memory** – write everything down. When someone asks you to pick up an extra package of paper while you're at the stationery store put it on your list (remember #1?). It will save you having to make another trip if you forget. If you meet someone that you need to follow up with, jot it in your daytimer or smartphone. Make notes at meetings of things you need to do in a day, and then schedule them into your day. With all the things you have to do, your memory may fail you more often than not. Having things written down will save you hours trying to remember, or worse, recouping after you've forgotten to do them.
  11. **Don't procrastinate** – procrastination isn't always logical. You know that you are going to have to do that thing you don't want to do, and putting it off isn't going to make it go away. Think about the unpleasant sense of panic and stress you feel when you realize you can't put it off anymore and have very little time to do it. That may motivate you to get it done right away.
  12. **Have a daily "quiet hour"** – this doesn't necessarily mean a literal hour, but a time that you schedule every day to reflect on what you want to accomplish, review your priorities, and generate a calm strategy for your day. Many people feel that first thing in the morning is a great time to do this, others take their quiet break in the middle of the day, or in the evening before bed. A refocusing time each day will lead to better management of your time.
- You may not be able to literally create more hours in your day, but you can make your days more productive and less stressful by managing your time just a little better. Make your minutes matter. 

# The Rule of 5

In his book titled “*The Success Principles – How to Get from Where You Are to Where You Want to Be*”, Jack Canfield talks about the process that eventually led him, and co-author Mark Victor Hansen, to publish a best seller – *Chicken Soup for the Soul* – that has sold over 8 million copies in 39 languages, not to mention all the spin-off *Chicken Soup* books that followed. When the duo first published the book, they were overwhelmed with how to begin the process of reaching their goal of getting it on the best-seller list. They enlisted the help of a mentor, Ron Scolastico, who gave them this advice. “If you go out every day to a large tree and take five swings at it with a very sharp axe, eventually, no matter how large the tree, it will come down.” From this advice, he and Hansen developed what they called The Rule of 5. Simply, The Rule of 5 means that every day you do five things that will move you closer to your goal. They used this simple rule day by day to move themselves toward what *Time Magazine* called “the publishing phenomenon of the decade.”

This is encouraging, because everyone (even busy small business owners) can do five things each day to work toward achieving their goals. Goals can get overwhelming. There is so much we want to do. So many things we want to achieve. Facing too many goals, or large, distant ones, can leave us overwhelmed and we may just give up. But if, year after year, our goals fall by the wayside, we become discouraged that we didn't try harder. So how might you apply The Rule of 5 to your small business?



## Step 1 – Determine your priorities

This often isn't as easy as it sounds, especially when all our goals seem super important. Some of them will be business goals, some may be personal. One of the most effective method of determining priorities that we've ever come across is the process of comparing them to each other. Here's how it works. Write down a list of all the goals you have in mind (keep personal and business goals on separate lists to start). Number them 1 to however many are on your list (let's say there's 5). Then compare #1 and #2. If you had to choose only one of those two, which would it be? Do the same with #1 and #3, then #1 and #4, and #1 and #5. When you are done, begin with the #2 and compare it with #'s 3-5. Then compare 4 and 5. When you look at your list, the number

Write your conflicting priorities.

1. \_\_\_\_\_
3. \_\_\_\_\_
5. \_\_\_\_\_
7. \_\_\_\_\_
9. \_\_\_\_\_

2. \_\_\_\_\_
4. \_\_\_\_\_
6. \_\_\_\_\_
8. \_\_\_\_\_
10. \_\_\_\_\_

Compare them two at a time.

- |         |         |         |         |         |         |         |         |         |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| ① or 2  | ② or 3  | ③ or 4  | 4 or 5  | 5 or 6  | 6 or 7  | 7 or 8  | 8 or 9  | 9 or 10 |
| 1 or ③  | ② or 4  | ③ or 5  | 4 or 6  | 5 or 7  | 6 or 8  | 7 or 9  | 8 or 10 |         |
| ① or 4  | 2 or ⑤  | ③ or 6  | 4 or 7  | 5 or 8  | 6 or 9  | 7 or 10 |         |         |
| ① or 5  | 2 or ⑥  | 3 or ⑦  | 4 or 8  | 5 or 9  | 6 or 10 |         |         |         |
| 1 or ⑥  | ② or 7  | 3 or ⑧  | 4 or 9  | 5 or 10 |         |         |         |         |
| ① or 7  | ② or 8  | ③ or 9  | 4 or 10 |         |         |         |         |         |
| 1 or ⑧  | 2 or ⑨  | ③ or 10 |         |         |         |         |         |         |
| ① or 9  | ② or 10 |         |         |         |         |         |         |         |
| ① or 10 |         |         |         |         |         |         |         |         |

Write down how many times you circles each number.

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_ 4. \_\_\_\_\_ 5. \_\_\_\_\_ 6. \_\_\_\_\_ 7. \_\_\_\_\_ 8. \_\_\_\_\_ 9. \_\_\_\_\_ 10. \_\_\_\_\_

Write down your new order of priorities.

with the most checkmarks is your highest priority, the one with the second-most checkmarks is second, and so forth. You may be surprised when you look at goals that are apparent equal priorities and compare them with each other, one really will rise to the top. Once you know what your order of priorities is, you can move to step 2.

## Step 2 – Determine your 5 actions for each priority

Let's say that, out of the previous exercise, you decided to focus on the first 2 goals as a priority. The last three didn't really score high enough for you to pay attention to them at this time, so you put them on a shelf for now. Now, determine the 5 specific actions you will do each day to move yourself toward each of your goals. Imagine that you had one business and one personal goal. The business goal was to increase your sales by 20% in the next 3 months. Your five things might look like this:


1. Send out flyers to 10 prospects I have not yet approached
2. Follow up on every contact I have made in the last month by phone

3. Create one custom proposal for Client X
4. Make a list of other businesses in my area that I can approach with my idea for a reciprocal marketing campaign
5. Read one chapter in the sales book I bought last week

Each of these things is one small step toward reaching your goal. Now do the same for your personal goal. You may need to revise this list every day.

## Step 3 – Just do it!

The last step requires being committed to The Rule of 5. It means disciplining yourself every day to do those five things. Those things are your five swings with the axe. Eventually, if you are persistent, your tree WILL fall.

This simple, but powerful strategy will make a huge difference to your success in goal attainment. Prioritize first, determine your 5 steps, then DO. It's that easy. Anyone can do just five things. After all, 5 things a day led Canfield and Hansen to superstardom in the publishing industry. What could it do for your business? 

# 10 Things to Do When Business is Slow

Sometimes the activities involved in running your business make your head spin. It's so busy you don't have time to think and you get to the end of each day happily exhausted with what you've accomplished. Orders are coming in, customers are buying, and your business is growing. Most small businesses go through cycles when it is this busy, but they also experience days or periods of time that are painfully slow – times when minutes feel like hours, customers seem to have all gone on vacation at the same time, and our production department is playing cards to fill the time. It may be tempting to put your feet up and check out until it gets busy again, but you could be filling that valuable down time with activities that will improve your business productivity. Here are a few ideas for ways to stay busy, even when business is slow.

## 1. Send out a letter to your customers

Keep your business top of mind with your customers. Keeping in touch with customers can get forgotten when things are busy, so when you find yourself in a slowdown, take the opportunity to touch base again. It doesn't have to be much – just remind them that you're there. Let them know if there's something new they might be interested in, or write a brief article on an area of your expertise and their interest (e.g. 7 Ways To Keep Your Carpets Fresh, Tips to Get Your Home Ready to Sell).

## 2. Organize your office

Oh, that chore. Yes, from time to time it's good to get caught up on your filing, look through those piles of stuff and decide to throw most of it away. File the good ideas where you might actually look at them again. Clear off your desk, organize your books, and generally de-clutter your space. Don't forget your computer desktop. Once it gets busy again, you'll be glad you did.



### **3. Meet with other business owners**

This is the time to form some alliances, build partnerships and just get together with other people. When we're busy, we rarely take time to network, work with our mentors or just hang out with our colleagues. These activities can be the springboard to new ideas, information about your industry or market and might even lead to new customers!

### **4. Catch up on your expenses/books/taxes**

For small business owners this is often a task that repeatedly falls to the bottom of the "to do" list. Then, come tax time it's a scramble to find and record all your receipts and get them ready for your accountant to do year end. Do some of that organizing when you have time, and you'll be amazed how good it feels to have that stuff ready to go when it needs to be.

### **5. Play with your staff**

If business is slow, it means everybody is bored. Take this opportunity to do some teambuilding. Plan a potluck staff meeting. Do some teambuilding activities. Watch training videos you never have time for. The staff that plays together, stays together.

### **6. Actually DO all the things in your "to do" pile**

Admit it – you have one. That pile of things you mean to do if you only had the time. That article you need to edit, newsletters you want to read, ideas you want to flesh out, the book you wanted to order, the magazine you wanted to clip the article out of, the expenses that need to be filed, the letter you've been meaning to write . . . the list goes on. Think of how many productive things you could do if you actually attacked your to-do pile when you had some spare time.

### **7. Take some time off**

You're always complaining you can never get away because things are so busy. Now's your chance. The staff can take care of things in the office – get out for the afternoon and enjoy a round of golf, go to a matinee, spend the day at the beach with your favorite book, even get away overnight and enjoy a bed & breakfast somewhere. That way you'll be rested and ready to go when things pick up again.

### **8. Clean up your email files**


This is not something most people enjoy doing, but it can really help to increase your efficiency when you're trying to find things. Be liberal with your delete button and stay on top of that chore.

### **9. Brainstorm for new ideas**

Gather your staff for brainstorming sessions. Ask the big questions you don't have time for when things are in high gear. What new innovations might you try? What do your customers need that you're not providing? How can you have more fun at work? What areas need to be developed? What's new in the industry – in your specific market? What crazy things are you willing to try?

### **10. Read**

Successful people are readers. They read newspapers, magazines, trade publications, novels, business books, self-help books – even instruction manuals! When things are slow, take advantage of the opportunity to read. Reading is never a waste – it keeps your mind sharp, fills you with knowledge and inspires ideas.

The next time you find yourself looking around for something to do, take this list and dig in. When business picks up, you'll feel a lot better about what you accomplished, and your efforts will work for you. 

# Eat the Frog – Effectively Setting Priorities

This may seem like an unusual title for a business article, but bear with me. This is the title of a book by motivational speaker and author, Brian Tracy. Brian suggests that if you eat a live frog every morning, you can be pretty confident it will be the worst thing you'll do all day. It's downhill from there. Tracy uses the frog metaphor to suggest that if you tackle your most difficult and challenging tasks first thing in the morning, the remainder of your day will be more productive, and you'll always be on top of the most difficult tasks on your list. But sometimes the hardest part is deciding which frog to eat – in fact, many days you feel like you've got a whole pile of frogs and you don't know which one to eat first. Here are some things to remember when trying to prioritize your tasks.

## **Being busy isn't necessarily being productive**

Sally, a sales manager, was frustrated about her level of productivity. She claimed she was so busy she didn't have a spare minute in her day. She was at work early, stayed late and often took work home, yet she still felt behind all the time. When a business coach helped her examine what she actually did all day, they concluded that she spent most

of her time putting out other people's fires and not focusing on her own tasks. She mistakenly thought that because she was so busy, she was being productive.



Sally discovered that at least half her day was consumed by interruptions from her staff. She also realized that she had enabled her staff to use her by continually solving their problems. After some thought, Sally decided to split her day in half, and to be available to her staff every morning until 1:00 pm, but that the afternoon was her time to attend to her tasks. Her productivity changed overnight. Her staff realized they had to start doing some problem-solving on their own – and to Sally’s surprise – they could actually do it! Once her door was closed in the afternoon, she was able to drown out distractions and finish her tasks – she ate a lot of frogs! If you feel like you’re running non-stop and getting nothing done, analyze how you are spending your days and where you can reduce your distractions to get at those frogs!

### **Ask yourself 3 questions**

When you’re looking at a pile of frogs and can’t decide where to start, ask yourself these three questions.

#### ***What is the most important thing for me to be doing right now?***

The key words in this question are “right now”. Today. This afternoon. This hour. You may be working on a project because you’re enjoying it, but it may not be what you need to be doing right now because other things are more important.

#### ***Which of these tasks has a deadline?***

When decisions need to be made, deadlines always win. That’s just how business works. Make sure when you’re looking at your stack of frogs, that you recognize which ones have deadlines. They swim to the top of the pile.

#### ***What will happen if I don’t do this?***


This is perhaps the most important of the questions. We sometimes find ourselves doing tasks that, in the end, don’t really matter. So what if it’s on your to do list – what happens if it doesn’t get done? This might just be the easiest way to get to the bottom of what’s really important. If the answer is “nothing”, that’s a very minor task. It may go into your “to do when I have time” file, or you may decide it needs to fall off your list altogether.

### **Be at your best**

Have you ever tried to make a decision when you’re under a lot of stress? When you’re really tired, or hungry? Some people find that their brain turns to mush if they haven’t had their protein in the morning, or 8 hours of sleep, or when they’re on overload. Prioritizing is decision-making, plain and simple. And if you’re trying to make decisions when you’re stretched emotionally or physically, you’re probably not doing a very good job. Know what you need to keep yourself mentally alert, physically healthy and emotionally in control. If you can’t function on less than 8 hours sleep – make sure you don’t stay up to watch the late show. If your body reacts badly to skipping meals, stop and eat. If you’re feeling stressed, get out and walk around the block or use some other stress-reducing strategy. Making decisions when you’re less than your best usually ends up with the wrong decision being made. To better prioritize, take care of yourself so you’re at your best more of the time.

### **Seek advice**

Sometimes, no matter what you do, you get stymied when facing conflicting priorities. It’s OK to get advice from someone who isn’t staring at those frogs all day. Ask someone to take a fresh look and see whether they can see things more clearly.

In the end, it’s your time to manage, and the better you do it, the more effective you’ll be in your business. 

# Tips on Effectively Hiring Freelancers

Whether you're a one man/woman show working in your home office, or a small business owner who employs a staff, the time may come when you are in a position to hire a freelancer to help out with your workload. This can be a daunting proposition, especially if it's your first time, or if you've had a bad experience with contractors in the past. Situations where you may consider hiring a freelancer may be: when you have more work than you or your staff can currently handle, but you know it's only temporary; or you have a special project that requires a specific expertise or skill set that isn't represented in your current staffing situation; you may even decide to hire a freelancer because you want an unbiased outside perspective on a certain project.

Hiring freelancers can be a very cost-effective way of dealing with seasonal or extra heavy workloads. Since freelancers carry the burden of dealing with their own taxes, you don't need to worry about source deductions and simply pay an hourly or per project rate. You don't have to pay benefits or provide valuable office space. It also means you'll be treated like a client instead of a boss – the freelancer's ultimate goal is to make you happy. It is also an opportunity to infuse new energy and expertise into your business and is often an inexpensive way to bring a skilled, talented new player into your company. Whatever the reason, consider the following tips on making the process of working with a freelancer a successful one.



## Things to Consider When Hiring the Freelancer

**Do they have a portfolio?** If not, consider seriously whether this is the right person for you. A portfolio provides an instant snapshot of the kind of work the person does. You'll be able to gauge from the work they've done previously, whether or not they may be a match for you. If you require someone to write a corporate annual report for your board of directors and the freelancer has nothing but fiction short stories in her portfolio along with a few chapters of her new novel, it may not be a good match. If you need a graphic designer and see their design portfolio contains only conservative, corporate designs, but you need something really contemporary and edgy, you may want to discuss whether he can do what you need.

### **Can they provide a list of clients/references?**

Any freelancer worth their salt should have a list of clients and references. If not, you should ask yourself why not. Don't be afraid to contact those people and ask important questions. Was this person easy to deal with? Was their work and their demeanor professional? Did they deal effectively with deadlines? Were they willing to listen to what the company wanted over and above their own preferences? Did they deliver what was promised at an acceptable level of quality and on time? Did they contribute to the project with insightful and creative ideas? Did they mesh with the existing team?

### **Do they have a website and professional-looking marketing pieces?**

Anyone who is serious about his/her business, including freelancers, will have a website. The website can tell you a lot about them. If it is disorganized or difficult to navigate, full of errors, broken links, or inconsistencies, consider this a representation of the kind of work they will do for you. So are the marketing materials they present to you. Is their business card neat and professionally produced, or does it look like they created it and printed it on their \$50 inkjet as they ran out the door? If they have a brochure or portfolio, does it look professional and free of errors? If a freelancer is serious about their work, they will have spent the time and money to make a professional presentation.

### **Are they making promises that sound too good to be true?**

Although you want someone skilled and qualified to perform the work, if a freelancer is telling you they can do it all – write copy, design print media, manage projects, create web sites, and a whole list of other things – you might want to be cautious. Few people are that good at everything. Your freelancer should have an established specialty, even if they can do other things. Someone who is promising you the moon may not deliver it.

### **Do you get a good “gut” feeling about this person?**

Don't discount your intuition when hiring a freelancer. Working effectively with a freelancer requires a comfortable, trust-based relationship. They can have a resume that blows you away, but if you get an uneasy feeling about them when you're talking with them – listen to that and go a little deeper. You can usually trust your sense about people – if you're uneasy, there's probably a reason. Try to find out what it is before you proceed.

## Clarify the work to be done

Before you set your freelancer loose on the project, make sure you have had a meeting to lay out exactly what you want them to do. You may already have all the details laid out and all the freelancer has to do is go ahead and do it. Or, you may want the freelancer's input and ideas before you begin. Make sure that by the time they are ready to do the work, you've clearly laid out your expectations and the results you want them to achieve. Do this in writing so that you both have a record of expectations. If something goes awry along the way you can come back to this agreement to clarify the project parameters and settle misunderstandings.

## Clarify the timeline

Make sure your freelancer knows and understands what your deadlines are. If you need a project to be completed by September 30, does that mean they will need to have their portion done prior to that so you have time to review and revise? If they think their delivery date is September 30, you will be in trouble.

## **Clarify the terms of the project**

Will this person be working on your site, or will they be working from home? Will they be reporting daily, weekly, hourly, and to whom will they be reporting? Do they have your permission to access other staff to seek clarification if you are unavailable? How many hours do you feel the project should take? Who else will be involved? How would you like them to report (by phone, email, fax)? Don't take anything for granted. The clearer you are with the terms of your agreement, the less that can go wrong. Assumptions are disastrous when it comes to hiring freelancers, so think about as many things as you can prior to starting your project, and spell them all out.

## **Clarify the payment terms**

Make sure you and your freelancer are speaking the same language when it comes to payment. If they're talking hourly, and you're talking daily, you'll be in for an unpleasant surprise when you receive the invoice. Decide whether you want to pay on a project basis, or an hourly basis. The benefit of paying by project is that you know exactly what it's going to cost. Most freelancers I know prefer the project payment method, because they, as well as you, know exactly how much the project is worth, and how much time it will take to complete. Paying by the hour may seem simpler, but if the project takes longer than you expect, you'll end up paying more. Decide on the number of hours you think the project ought to take (or ask your freelancer how many hours they think it will take them to complete it), and then come up with a price. Every freelancer knows that projects could be under or over the agreed upon timeline by a bit and are willing to put in a few extra hours to get the project done. However, you should decide ahead of time what you will do if the project goes overtime by a lot. It is unreasonable to expect a freelancer to put in an extra 10 or 15 unpaid hours. If your project goes long, you can either re-negotiate the cost of the additional time, or pay by the hour until it is finished. Discussing this ahead of time will save you a lot of headaches later.

## **Clarify the freelancer's role with your staff**


Sometimes, a freelancer comes into an office and ends up doing work that existing staff feel should or could have been done by them. To avoid "freelance envy" and resentment among your staff, let them know ahead of time why you've decided to hire a freelancer for the project, and exactly what their role is going to be. Clarify if you have expectations for them to be a support or resource to your freelancer, and assure them that their roles within your company are not at risk. Doing this can save you a lot of grief down the road with your staff.

## **Clarify your role with the freelancer**

Do you want to be highly involved with the project and if so, what will that look like? Or, do you prefer to let them loose on the project and check in only at critical points? It's best to give your freelancers strong guidance, but to also allow them the space and creativity to do what you've hired them to do. Micromanaging doesn't go over well with freelancers. In fact, the reason they're freelancing is probably because they prefer to work in an environment where that doesn't happen. Unless they give you reason not to, trust that their skill and expertise will produce the results you want.

## **Clarify the process**

Finally, make sure you've been clear on how you want the project to progress. Schedule regular meetings to check on progress and make sure you're both on the same page. You don't want to get together three months into the work, and find out the freelancer has gone in a completely different direction than you intended.

Follow these tips on how to hire, and how to maintain a strong working relationship with your freelancer and you may find yourself discovering you've added a whole new dimension of energy and expertise to your already dynamic team! 

# Managing Stress

## Stress Strategies

**S**tress just seems to be part of life these days. There's more and more to do in less time, balancing work and family is getting more demanding, finding time for yourself is difficult, and the demands of work can be overwhelming. All of us have good stress and bad stress – without the good stress in your life that challenges you to work hard and do your best, you would be unmotivated and bored. But the bad stress can literally kill you. It is estimated that now over 80% of illness is stress related. Finding strategies to cope with the stress that inevitably comes our way is a must for small business owners.

Firstly, it's important to know what an optimal level of stress is for you. It's difficult to determine one level of stress that is optimal for everyone. Your optimal stress level – one that challenges, motivates and inspires you – is based on your personality and style. Someone who thrives on change and enjoys functioning at a high activity level, who enjoys a job that moves from place to place handling tough assignments and making high-level decisions, would be stressed at a job that was routine and stable. A person who enjoys routine and following instructions and dislikes change would be stressed in the job that motivates the other person. If you are generally enjoying your work life and your home life, feel challenged rather than bored, and can handle the things that come your way, you are probably at your optimal stress level. If you are living with continual frustration, are irritable about your tasks or at people around you, and find it hard to cope with the extra things that come at you over and above



your normal routine, you are probably over-stressed and need to look at some ways to get more balance into your life. Here are a few ideas to manage your stress more effectively.

**Know what your stressors are.** If you are aware of what things stress you out, you are better equipped to minimize them. What are your triggers – those things that make your blood pressure rise or take you from calm to hot in ten seconds flat? Our triggers affect us in physical ways. Our muscles get tense, we get headaches, our coping ability and tolerance go way down, we start breathing faster - all of us have different ways to respond to those triggers. Check in with your body. Try to notice when these things happen so that you can make decisions around how to deal with them when they do.

**Accept it, change it or leave it.** There are three responses to any stressor. You can accept the situation as it is, you can do what you can to change it, or you can walk away from it altogether. All of us have those three options in dealing with a stressful situation. If you recognize that you do have choices, you can minimize the effect the stress has on you. For example, you feel stressed because one of your biggest customers is always at least 90 days late with their payment for your product or service. Go through these three options. If their account is important to you, you may be willing to accept the fact that this is the way this customer operates and allow them to continue paying late because you don't want to lose their account. If you can't accept it, ask yourself if there is anything you can do to change it. Would you be willing to talk to them and ask whether they could make changes to their payment schedule? Is there anything you could do with regard to your billing that might spread things out so you're not waiting for large payments? If you want to keep the customer and there are things you can do to change the stress, make those changes. Your last option is to leave it. You may determine that no matter how big this customer is, your business can't afford to wait three months for payments. You may decide to let them know if they can't pay on time, you can't provide them with your product or service. In every stressful situation, ask yourself whether you can accept it, change it or leave it.


**Learn quick methods of relaxation.** Every time your body reacts physically to a stressful situation, it sends a message to your brain that you are in danger - that's your fight or flight response. Too many messages like this lead to illness, so, figure out ways you can de-stress by relaxing yourself when you begin to feel those physical symptoms. Some people find getting away for fifteen minutes, walking around the block and getting some fresh air, helps them relax. Others find reading a funny book or listening to music brings their blood pressure down. For others, it may be deep breathing, visualization, talking things over with a friend, shopping, journaling, or listening to positive motivational tapes. Whatever you can do in fifteen

minutes or less to relax your body in stressful situations will help you in your overall ability to cope with stress.

**Balance your life.** All work and no play is a guaranteed recipe for stress, however all play and no work can result in boredom - which is also a stress. Ensure that in spite of your demanding schedule, you build in play time or time you can spend on outside interests and hobbies (if you can't think of any outside hobbies or interests you should take that as a red flag - it's time to get some!). Balance is one of the keys to managing stress more effectively. It also gives you a greater perspective. If your life is rich in many areas, the stresses you feel at work will affect you less than if work is all you have.

**Build strong relationships.** Studies show that people who have strong relationships and support systems manage stress better than people who don't. Building positive relationships at work will help you to deal with stress and conflict more effectively. Advice and perspective from trusted friends and family will help you to see things more clearly and to feel supported in whatever you may be going through, resulting in reduced stress.

**Keep learning.** Take advantage of any opportunity to learn and grow personally and professionally. Whether it's listening to motivational tapes, reading good books, taking courses, working with a mentor - learning inspires confidence and confidence helps you feel more in control and able to handle the stressful things life throws at you. Personal and professional growth are essential to personal and professional success. Sadly, they are also often the things that get put on the back burner for "some day when I have time." If you are deliberate about continuous learning and set personal and professional growth goals each year, you're more likely to build them into your life.

Stress is inevitable, but putting a few strategies in place to deal with negative stress as it occurs will help you to cope more effectively. 

# Beating Burnout Before it Begins

Running your business is often more than a full-time job. As a result, it is common for small business owners' lives to become unbalanced, where work takes over every other thing. As Stephen Covey says in "Seven Habits of Highly Effective People", the urgent takes over the important. If you find yourself stressed out, burned out, or worn out, take a moment to assess your total health picture - the physical, spiritual, social and psychological aspects of who you are. There is a cost associated with overwork. The trouble is, we usually don't realize how much it will cost until the cost is too much. Given that the stress of running a small business will always exist, it's important that you recognize your limits and be proactive about preventing burnout. What would happen if you crashed physically or emotionally and weren't there to run your business for six months? To avoid that scenario, watch for the physical and emotional signs that things are getting out of control – an inability to keep your emotions in check, sleepless nights, episodes of panic, irritability, depression, or an inability to cope with daily stress. Beating burnout requires preventative action. Here are some things to think about.

**Decide What's Important to You** - if meeting your sales quotas each month is more important than spending time with your family, you may choose to delegate your time accordingly. Unfortunately, most of us say our families and our health are more important than the bottom line, but we don't make the necessary changes to incorporate that belief into our actions. Deciding what's important to you will assist you in adjusting your work schedule to make sure the things you value are receiving your attention.

**Learn to Say No** - people who are successful usually say yes a lot, but the people who are successful and wise, learn when to say no. Adding



other activities to your life may get you further ahead faster, but in the big picture of what's important to you, does it matter if it takes a little longer to get there if it means allowing yourself to also spend time on what you value?

**Ask for Help** – small business owners are notorious for feeling as if they need to do it all, or that they're the only ones who can do it. Asking for help is not a sign of weakness, but rather a sign of wisdom and strength. Realize when you've reached your limit and then give things away. Delegate. Ask others to assist you with difficult tasks. You are capable, but letting others help means you can choose to focus on what's important to you.

**Simplify Your Life** - the more you have, the more you have to worry about, to store, clean or fix. Routinely get rid of things you don't use and/or don't need. Reduce the clutter both at home and at work. Reduce the clutter in terms of your commitments. Do you really need to be involved in



all those things? Take a deep breath and enjoy the peace of a simplified life.


**Take Time Off Regularly** – working seven days a week will kill you – eventually. Everyone needs a break – including you! Even if your business requires you to work weekends, make sure you’re taking adequate breaks so that your body and mind can rejuvenate. It will make you better able to manage things when you get back.

**Remember People** - relationships are more important than any activity you can do. Spend time with the people who mean the most to you. No one at the end of life has ever said they wished they’d spent more time at the office.

**Make a Spiritual Connection** - it is proven that spirituality enhances a person’s peace of mind,

and quality of life. Whatever that means for you, find a way to make a spiritual connection and to incorporate those beliefs into your daily living.

**Seek Professional Help** – when it becomes obvious you are not able to manage the things in your life, don’t avoid seeking help from a professional. Whether it’s a psychologist or counselor, your doctor or a business or financial advisor – know when you’re in over your head and get the help you need to get back on track.

Doing these things BEFORE you hit burnout may prevent it from happening all together. But doing them when you realize your headed for burnout is imperative if you want to avoid a situation where, physically or emotionally, you can’t go on. 

# Desk Bound

## Maintaining Your Health When Sitting at a Desk All Day



Many of us spend large portions of our day sitting. We sit as we drive to work, sit in front of our computers for 8 hours, sit while driving home, and then sit in front of the television or computer for another few hours. In general, sitting for too long contributes to all kinds of ill health. A study in the International Journal of Obesity and Related Metabolic Disorders found that those who had high daily levels of sitting (7.4 hours or more) were significantly more likely to be overweight or

obese than those who reported low daily sitting levels (less than 4.7 hours a day). Sitting at a desk all day also puts you at risk of back pain, neck and shoulder pain (particularly if you sit with poor posture), leg cramps, tense muscles, and increased chance of blood clots. While the hazards of prolonged sitting may be obvious, many of us don't have a choice and must work at a desk, at least for a portion, if not most of our day. There are some things you can do to minimize the damage that sitting all day can do to your body. Take advantage of some of these ideas and create a healthier work environment, even if what you do in your business requires a lot of sitting.

**Keep your body in a neutral position.** This means that your joints are naturally aligned, reducing your risk of stress and strain on the muscles, tendons, and your skeletal system. To achieve a neutral body position:

- Adjust your chair so your thighs are parallel with the floor
- Choose a well-padded chair that supports your back and has lumbar support (or invest in a lumbar support cushion or chair pad – it will more than repay you for your investment with improved back health)
- Your hands, wrists and forearms should be in-line and roughly parallel to the floor.
- Your elbows should be close to your body, bent at a 90- to 120-degree angle
- Your feet should be flat on the floor or supported by a footrest

**Move it or lose it.** There's an old saying that your mind can only retain as much as your bottom can endure. It's true that as soon as our bodies feel discomfort, we are less productive, as we become pre-occupied with the discomfort. Your body can only tolerate being in one position for about 20 minutes before it starts to feel uncomfortable. The longer you remain in an uncomfortable position, the more tense your muscles get, and eventually they will revolt. Unfortunately, we've taught our minds to override that discomfort, and often barely notice the messages our bodies try to send us. Some people spend several hours without moving any part of their body but their hand on the mouse. It's a wake-up call when they start getting numbness and pins and needles in their neck and down their arm and end up with so much neck and shoulder pain it takes several months of physiotherapy to get back to normal. Combat this syndrome by moving about every 15 minutes. Stand, stretch, walk around or change your position for at least 30 seconds. If you're the type who tends to forget, set an alarm on your computer to go off at least every half hour to remind you to get up and move.

**Walk instead of using the phone.** When you need to speak to a colleague, take a few minutes to walk to their office and talk to them in person rather than picking up the phone. Stand while you're having the conversation. Take the long way back to your desk. Heck, even walk up and down a flight or two of stairs to get your heart rate up a couple of times in the day. If you have to leave the office to drive to meetings – park a block farther away so that you can build some walking into your day. Or walk to meetings that are close enough to your office. It may take a few extra minutes, but the time you spend getting a bit of exercise will more than be made up by the increase in overall productivity you'll feel by getting your body moving.

**Reduce repetitive movements.** Movements that you repeat over and over (such as answering the phone or using your computer mouse) can lead to strains and stress on your body, resulting in things like carpal tunnel syndrome, neck and back strain, and tense muscles and/or muscle spasm. Keeping items


you use often within arm's reach and using tools, such as a phone headset, to reduce repetitive movements can help to reduce repetitive strain injuries.

**Avoid monitor madness.** Staring at your monitor for hours on end can result in all kinds of stresses and strains – from your eyes to your neck and back. Keep your computer monitor directly in front of you and at least 20 inches away. The top of the screen should be at or below your eye level, and it should be perpendicular to the window (to reduce glare).

Look away from your computer screen often to avoid dry eyes and eye fatigue. Take a few minutes to look out your window, or simply close your eyes and give them a rest several times a day.

**Be purposeful about your eating during the day.** It's easy to just grab something and eat lunch at your desk while you work, but you're contributing to the already sedentary job you have, and you're less conscious of what you eat. Don't keep junk food at your desk. The temptation to snack is high, and the result is feeling sluggish, tired and unfocused. So make it a habit to have lunch away from your desk, even if it's just walking down the hall to the lunch room. Better yet, get outside and go for a half hour walk to clear your head and exercise your body. If you're a snacker, keep a supply of healthy snacks nearby so you're not adding empty calories to your daily consumption.

**See a chiropractor, physiotherapist or massage therapist regularly.** If you work at a computer most of the day, there is no question that over time you will build up tension in your neck and back. Regular visits to your health practitioner to deal with those tense muscles will improve your overall health, and prevent more serious illnesses and injury with long term implications.

You may not be able to change what is required of you on a day-to-day basis in terms of sitting at your desk, but you can make changes to how you do those things. They may seem small, but each little change you make adds up to a large impact at the end of a day, a week, and a year. 

# Management

## Committed to Development

**A**re you the type of person who receives a seminar flyer in the mail and leaps to your computer to complete the online registration form so you can be one of the first to register? Do you think about and relish the thought of how many days you can spend this year taking courses and attending workshops? Does the mere idea of increasing your knowledge and skill bring tears of joy to your eyes? If you answered yes to these questions, you probably don't need to read this article. But if you're like most small business owners, the sight of that flyer simply induces guilt from knowing you ought to consider it but not

seeing how you can afford the time away from your business. Personal and professional development is vital to personal and business success, but it seems to be the thing that is most easily neglected in the grand scheme of business demands.

Why not make this a year that you commit to improvement for your business? There are many creative ways to bring professional development into your busy schedule, and the more you do, the more you'll boost your creativity, your perspective, your skill and your confidence. It doesn't necessarily take a huge investment of time or



money to build development activities into your life, but you'll reap the benefits of doing so. Here are a few ideas.

**Conferences** – chances are, there are conferences in your industry every year. These can be expensive, especially if they are held far from home, but you should consider attending every so often. Connecting with other people in your industry, hearing about progress and new developments, and being challenged by great speakers can boost your development as a person and your business development. Not to mention, they offer great ideas to build your business as well as networking opportunities with potential partners and even customers. Build conference attendance into your budget and plan ahead.

**Seminars and workshops** – the next time one of those flyers crosses your desk, don't immediately throw it into your recycle bin or into your "I'll take a look at that when I have time which will actually be after the seminar is over" bin. Review the contents and see if anything appeals to you (or perhaps more accurately – what you think would be valuable for you to learn). If a majority of the content appears worthwhile, give yourself permission to take a day and attend. What you learn will give you a fresh perspective on what's going on in your business, as well as the opportunity to network with others, which can be a great marketing by-product!

**Audio tapes/CD's/podcasts** – a plethora of development programs are available in audio format. These are wonderful because you can listen to them while you're in your car, even in your office while you're doing mindless tasks like filing. They don't require a day off work, but you can still gain valuable insights and ideas by listening to great authors and speakers like Jack Canfield, Stephen Covey, Brian Tracy, and others. These are easy to build into your already busy schedule.


**Training DVD's or webcasts** – again, easily available to rent or purchase, or free on the web. You can view them on your personal time, or use them in staff meetings as part of your staff training.

Or, you can take a personal day and do training in the comfort of your own home. These are great because you can watch them over and over and share them with your team. You'll be surprised at how many different things you notice each time you view them, depending on what's going on in your business at the time.

**Focus or peer groups** – gather together a group of colleagues in other industries and form a focus group whose purpose is professional development. There are many ways to run a group like this. You could decide to work through a video series together, bring in guest speakers on topics that are of interest to the group, hire a facilitator to navigate discussions around business challenges you all are facing, etc. There is wisdom in hearing from others who have faced the challenges you face, and in sharing what you've learned with others.

**Books and tutorials** – another inexpensive and practical way to build development into your business is to read books and to use tutorials. Find a book that interests you – it may be an industry-specific book or a more general one where you will apply principles to your business – and commit to reading it by a certain date (because we all know that if you don't, it will still be sitting waiting for you six months from now!). Use tutorials to learn specific skills – they're especially great for learning new software programs.

**Find a mentor** – working with a mentor is a fantastic way to learn. It costs you very little and you are exposed to someone with vast experience who can help you learn the ropes in your business.

Stop making excuses. Commit to development as part of your business plan. Set a goal for how many development days you'd like to build in, and then schedule your time accordingly. Whether you take a few days to listen to a high achiever share how he or she built their business, or attend a seminar to learn how to improve some aspect of your business, you'll benefit greatly from that commitment. So will your business. 

# The Small Business Owners' Management Conference



If you've ever worked for a larger company, you may have had the privilege of attending a management conference. Having just returned from an extremely successful one, I found myself pondering the benefits of such a conference for the team. Each team member commented on the things they valued about the experience; learning new management skills, breaking out of the box with creativity sessions, and hearing from their peers on issues they all struggled with. Most powerful however, for many attendees, was the shared camaraderie of just sitting around the lunch or dinner table with like-minded people, a common vision and a sense of traveling together in the same

direction. It got me to thinking about how small business owners miss this opportunity of shared vision and camaraderie. Many small business owners don't have a management team – they're it! Some aren't even a member of a team if they work in a home-based business.

Although you may not have a management team of your own, you do know other small business owners who are managers. And although you may not share with them the specific day-to-day goals for your business, you most certainly share the same goal of making your businesses succeed. Here's the seed I'd like to plant – could you plan a


management retreat for small business owners in your town or area? It's really not that difficult, and the benefit you'll receive from spending a weekend with other entrepreneurs will do more than you can imagine to create a sense of being part of a larger "team" for everyone who attends. Here are some ideas to get you started.

**Find a venue.** Check with hotels in your area (or even better – just outside your area so that you really get away for the weekend) that also have meeting facilities. Put together a budget of the costs – room and equipment rental, room rates, and meals. Most hotels have facilities managers who can assist you with putting together all the details.

**Create a small committee.** Enlist the help of a couple of small business owners you know would be interested in creating an event like this and get together to consider details: do you want to invite a guest speaker or would you simply like to benefit from the collective wisdom of those who are attending? You can save a lot of money by asking people who are likely to attend whether they'd be willing to give a presentation on a specific topic. You'll want to create a schedule for the weekend, perhaps even a theme, and you'll definitely want to plan a special event or two just for fun; perhaps attending a sporting event or concert, hiring a comedian or other entertainer, or planning a very nice dinner out. Finally, you'll need to decide how you're going to let other business owners in your area know about the conference. Will you create flyers, attend networking meetings, send e-mail invitations, etc? Once you've determined your venue and program costs, you can work out the fee for attending your management conference. Now it's just a matter of letting people know about it and building excitement for the event. And don't be discouraged if you only have a small number your first year. The conference I recently attended only had 12 participants and it was a huge success! Better to start with a small number and build on your success so you can grow it for the next time. Once word gets out, it will grow.

Some things to consider when putting together your program . . .

- Are there issues in your town that are common to all small business owners (changes in municipal bylaws or Official Community Plan, growth in your community, construction activities, etc.) and is there someone who could come to your conference and present on these issues?
- Are there small business owners in your community who have areas of special expertise that would be of value to a larger group and who would be willing to speak?
- Do you know someone who could give a relevant keynote address to your group, but who isn't terribly expensive?
- Could you organize round-table discussions on issues facing small business owners, and do you know someone who could act as a facilitator?
- Are there general management topics (such as time management, stress management, people management) that could be explored as possible subjects for presentations?

Start thinking about the other small business owners in your area as a sort of "peer" management team, and imagine the possibilities from the gathering of a group of talented, like-minded individuals interested in growing, supporting one another and sharing knowledge. Getting excited? You should be. Now get out that phone book and start the ball rolling! Be an agent of change and growth for your small business community – and your own business! 

# Ten Common Business Plan Writing Mistakes

If you're looking at writing a business plan for the first time, or if you're doing a business plan review to present to a financial institution or potential investor, you might want to consider looking at the most common mistakes entrepreneurs make when writing a business plan. Avoid these mistakes and you'll have a plan that will make potential investors take notice, and actually read what you have to say.

## **Too Unprofessional**

Produce a professional looking document. If your business plan looks shoddy and unprofessional, what assumptions do you think the reader will make? First of all, make sure your pages are clean (free of coffee stains and fingerprints), well-organized and error free. First impressions are important and if your document is full of mistakes or messy, the impression is that you are careless and/or incompetent. For presentation, avoid presentation folders with the slide-on binding. They fall apart as soon as you fold them back and then the reader has the joy of trying to put everything back in order! Three ring binders are clumsy and pages are easily torn out. The best format is to have your plan bound (either cerlox or spiral ring). This is an inexpensive process and can be done at almost any office supply store. Use a heavier card stock and a colour cover page with your name and business name on the front. Add your logo if you have one. Make your first impression one that leads the reader to want to open the cover!



## **Too Wordy**

Remember that it is not the number of words you have written but the answers you have provided, that counts. The person reading your plan does not have unlimited time (or patience) so do not waste it. The bank manager who sees a one-inch manuscript is unlikely to read it at all and is likely to make a decision, not on the merits of the plan, but on its size!

## **Too Short**

Pendulums have a habit of swinging too far from side to side when you give them a push, so don't go to the other extreme and make your plan so short that it does not cover all the necessary points. You must cover all the points the various readers might need to see and more importantly that you needed to ask yourself in order to have put together a coherent, comprehensive plan!

## Too Personal

Avoid the use of the words 'I' or 'We' when writing about a business. Business plans do not use those words, they should be written in the third person. For example:

*The Missing Piece JigSaw Company  
will be located at...*

*The company will sell...*

*The owner/manager has ten years  
of retail experience...*

Avoid telling stories about yourself or how the business came into being. The business plan is not a personal history and it is about the business. View your business in an impartial way. Be as objective as you can possibly be, because the banker or investor most certainly will!

## Insufficient Market Research

You must never underestimate the knowledge of the reader. If you say there is no competition, you are offering up a challenge to the reader to find some for you. If you say that customers will pay your exorbitant price you had better have the market research to prove it! One of the biggest reasons for people being turned down for loans is that they have not carried out sufficient research that has created confidence in the viability of the plan.

## No Cost Analysis

It is surprising how many people do not do the simple math to see whether they can make a profit. You must show that you have carefully thought through all the costs associated with delivering your product or service. Different businesses require differing levels of gross profit; make sure your financials are solid.

## No Break-even Analysis

A break-even analysis is not totally necessary to a business plan, but you need to know how your

revenue relates to your expenses. It is surprising how many people do not know this simple but important fact. If you have to sell 100,000 T-shirts to break-even, can you do it? Does it sound reasonable? Is it even possible? Do you have the finances to back up this plan?

## Unrealistic Expectations


If you are entrepreneurial, you are going to be an optimist, and optimists nearly always think they are going to do better than they really can. Try hard to keep your feet on the ground. Get other people to give you an honest appraisal of your projections before you put them into your business plan.

## Poor Cash Flow

Even if you are doing well and sales are better than planned, you can still go bankrupt. Cash is king. Remember that one of the first things a banker or investor looks at in a business plan is the cash flow. Can this business survive lean times? Will it have enough cash at the end of every month to cover its expenses?

## Insufficient Funding

Early cash flow problems usually come from insufficient funds in the first place. New businesses take a lot of money to get up and running. The first few months are all pay out, with little cash coming in. Never underestimate the capital needed to start a business. Make sure your business plan clearly shows what cash is needed and convinces the reader that this is sufficient, and that you have it or can obtain it.

A business plan provides you with a roadmap for your business. It is a tool that you can use to secure additional funding, find investors or even business partners. It takes time and effort to create a great plan, but going through the process is a healthy and advantageous exercise. The business plan will help you get to really know your business, and understand what it will take to make it successful. 

# Getting Your Bank Manager to Say “YES”!



One of the biggest challenges facing small business owners is getting financing when they need it. With the economic realities in recent years, banks are tightening their belts and behaving in a more discriminating way when it comes to lending money, to both consumers and businesses. It can be enormously frustrating when you know

that a cash infusion can assist you in taking the next step toward growing your business but you can't convince your bank manager to give you the money. It's not impossible – it just requires knowing what banks are looking for, and providing the information they need to make a decision in your favour. At the end of the day, their primary concern is whether you are a risk in terms of repayment. Here are some ideas on how to go in well-prepared and increase your chances of success.

## **Demonstrate confidence in yourself**

It's not just your business idea that you're trying to sell, it's your ability to pull off the idea. Remember, you've had months, even years, of thinking about your business - but bank managers are only looking at what's in front of them, in the context of a cautious lending culture. While enthusiasm for your idea is helpful, it won't influence their decision to approve the loan, unless they are also confident that you have the means to pay the funds back.

Review your track record and identify the skills and experience you bring to your venture. This is about more than rewriting your resume. It's about demonstrating how your strengths put you in a position to be successful and that you have a plan to minimize any weaknesses that may hold you back. Back up your skills with solid evidence that supports that you have what it takes – testimonials, industry awards or recognition from people who have worked for you. Combine a passion for your business with a real understanding of the unique skills you bring to it, and you'll do a lot to convince a bank manager that your funding application may be worth a closer look.

## **Demonstrate confidence in your idea**


You need to convince a bank manager that your business will work now, in the current economic

climate. Think about the questions a lender might ask. How do you plan to develop your idea, who are your customers, what is your marketing plan, who are your competitors and how are they likely to respond to your plans, what is your vision for the future of your business, how are other businesses in your sector doing, what is your capacity to service a loan, and what security do you have to offer? By researching the answers to these questions before you go in, you will develop a believable, measurable, promotional pitch for your loan application. Practice your pitch in front of family, friends, or other business owners and professionals. They can help pick out points that are unclear, pinpoint gaps in information and help you hone your presentation skills to give you the best chance of success.

### **Demonstrate confidence in your plan**

A strong, clear and concise business plan is the strongest tool you have for securing funding. While every plan contains the same basic information, a smart plan will tailor details for the person reading it; in this case, making sure you show a bank manager when and how they will get their money back. The current economic situation also means that banks expect a more extensive level of detail when it comes to financial forecasts and cash flow projections. Do your financial homework and prepare these documents before you ask for your loan:

- A complete business plan with details of your capital, cash balance and cash flow patterns, profit and loss forecasts, and sales forecasts for the next three to five years
- Your assets and how you will secure the loan
- Past three years' accounts for any previous businesses you have run
- Employment record, highlighting significant achievements
- References and testimonials from previous employers and customers.

Yes, it's harder than it used to be to secure loans for your business ventures, but understanding what is important to your bank and being well-prepared with the answers to questions that may be asked gives you a strong advantage. Confidence in your ability to deliver your plan, the strength of your idea and the comprehensiveness of your plan will improve your chances of success. 

# Why Businesses Fail

## Spotting the Warning Signs Of Business Failure

As a small business coach working with business start-ups, one of the things I do is get new entrepreneurs to think about their failure symptoms as part of their business plans. Many of them are resistant to this process. Full of vigor and enthusiasm and determined that nothing is going to go wrong with their fantastic business ideas, they want to focus on only the positives of making their business successful. However, there is something intrinsically healthy (not to mention smart) about knowing what failure looks like, so that you can identify it when it happens. Much the same as we pay attention to physical symptoms

of illness, noticing when your business is showing signs of distress will position you to take action much more quickly.

Mark Blayney, in his book titled, “Turning a Business Around, How to Spot the Warning Signs and Ensure a Business Stays Healthy”, says the following:

“To understand why businesses fail we need to recognize two complementary truths. The first is that all businesses are fundamentally the same – they have to buy and sell goods and/or services to their customers, who will keep on buying if the



offer provides value in satisfying their needs. All businesses must try to make a profit. They also need to manage their employees, sales, production, premises and cash and to collect in their debts, pay their suppliers, submit their tax returns and so on. The second is that all businesses are fundamentally different. Businesses are comprised of different people operating in different cultures that have different values, expectations and experiences. Businesses do things in different ways, sell different goods and/or services and offer different values to different customers with whom they have different relationships. They all have a unique 'recipe' for what they do and how they do it."

In essence, while all businesses share the same basic functions of making a profit by delivering a product or service, they are all different in how they will experience success and failure. While the most obvious failure is a lack of cash or poor profitability, there are many other failure symptoms that have less to do with money and everything to do with the health of the owner. Therefore, failure will look different for each business owner. It is significant that while initially, these symptoms may not appear to have anything to do with the bottom line, if ignored they eventually will.


I ask entrepreneurs to think about their perspective (besides the obvious financial ones), on what failure would look like to them. When they really get down to it, they come up with very interesting and insightful answers. Here are some examples of their failure symptoms:

- If I start having no time for my family and am too tired for relationships
- If I find myself too tired to be productive at work because I'm not sleeping well
- If I'm not paying attention to my body by eating well and exercising regularly
- If I am feeling distracted and not able to focus because I'm doing too many things

- If I'm feeling irritable and angry most of the time
- If I start losing my joy and enthusiasm for what I'm doing
- If I'm way off my financial forecasts for revenue for a number of consecutive months
- If I don't get a minimum of 10 new sales and 15 repeat sales per month
- If I'm starting to avoid sales and marketing activities in favour of doing tasks
- If my business begins to grow significantly more quickly than I had anticipated
- If my customer feedback demonstrates less than a 90% satisfaction rating

You can clearly see from these comments that failure symptoms are very personal and very specific. Given that, especially for home-based and single-owner businesses, the business is initially more about the owner than anything else; the emotional, physical and mental health of the owner is paramount to its success. As new entrepreneurs, awareness of these symptoms provides a safeguard for apathy and/or ignorance in seeing the warning signs and responding to them.

What are your failure symptoms? How would you answer the question: I know my business is in trouble when ...?

Your answers should be about more than just money in the bank. In fact, these symptoms would be appearing long before you notice the financial results. Long hours spent in the business to the detriment of your physical health and relationships is a sign that something is wrong – a warning sign that something needs to be changed in order to right the ship. Become aware of any personal failure symptoms in order to prescribe a solution before it's too late and starts to impact your bottom line. 

# Small Business Success

A Blue Beetle Books Publication

Provided by



## Community Futures Chinook

5324 - 48th Avenue,  
Taber, AB, T1G 1S2

Toll Free: 1-888-223-3330

Phone: 403-223-2984

Fax: 403-223-2096

Email: [web@biz-help.ca](mailto:web@biz-help.ca)

[www.biz-help.ca](http://www.biz-help.ca)