

## “BUSINESS TIPS” – October 2, 2006

As an advisor with the Angelo State University • Small Business Development Center I am continually reminded how hard it is to not only start a small business, but to keep it in operation. I have mentioned it before, but my father and I had a small family owned business here in San Angelo for almost 30 years. Looking back on it, frankly we didn't have a clue. The main component we offered was good customer service. While that is an integral part of running a successful small business, there are many other factors to consider.

There are several “fatal flaws” of which most small businesses are guilty and it could be the downfall of your small business. Almost all (99%) have no written business plan to establish goals and measure performance and growth. While 82% do produce financials on a monthly basis, 75% do not use this information to make necessary planning adjustments. A small percentage of those fail to run period financials at all. The solution to this is to create a simplified growth plan. What is the current state of your business? Where do you expect to be in three to five years? Set benchmarks to measure success and dates of expected results. Use the financial information to plan for the future. Work from a budget.

Small businesses don't understand and effectively market their business. Companies waste valuable marketing money due to shotgun tactics. Select the best techniques for your individual business and management style. Do research and analyze what motivates buyers and then build a realistic, usable plan tailored to you and your business.

Hiring the right employees is vital to small businesses. Many owners make hiring decisions on “gut feel” references and interviews and this could lead to trouble. Understand the cost of poor hiring decisions and learn effective tools for getting the right people for your business.

Failure to communicate exists within a majority of companies. This creates numerous problems, mainly productivity. Consider using a personality profile to better understand the different styles and personalities within your organization. Invest in a day of communication training then take the time to make a genuine effort to adapt to the diverse styles when engaging in conversation with each other.

Many small businesses don't adapt to change. They realize their company is stagnant yet choose to do nothing about it. Step back and look to the future. Identify your competitive edge and build on it. Attend trade shows and conferences to keep up with trends. Get input from all level of employees. Sometimes the guy on the loading dock or the secretary has very valuable ideas.

Try implementing these ideas into your small business and it will help it become more efficient and will give it a much better chance to be successful.

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