

101 Survival Tips for Your Business

Practical Tips to Help Your Business Survive and Prosper



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■ The Big Idea

Running a business is difficult and demanding at the best of times and for all sorts of reasons. Entrepreneurs and managers alike need to learn how to juggle competing and conflicting demands on their time and resources and to learn how to build better relationships with suppliers, staff and customers, as well as overcome the financial, legal, marketing and personal issues that impact their businesses significantly.

One of the best tricks to surviving and prospering is avoiding the common hazards that all business operators face along the way. You must learn how you can successfully navigate through these hazards in order to help your business reach its full potential.

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■ Why You Need this Book

This book offers both first-timers and experienced business owners 101 basic, simple and practical tips geared at helping you run your business better. All are designed to highlight common problems and to give you a clear course of action that will increase your chances of business survival.

This book has particular resonance in troubled times such as ours, where businesses must do all they can in order to make sure that they stay afloat.

In the interest of brevity and maintaining focus, this summary only discusses the key tips offered by the book.

■ Know When to Look for Help

One of the most common characteristics of successful businesspeople is that they are not afraid to ask questions or to seek help when they need it. We all need help in some form or another, and the most successful businesspeople are not ashamed to admit this or to 'show weakness'.

Just like illnesses, most business problems can be cured if they are detected early and if the proper treatment is implemented. If you want to survive in business, don't wait until it is too late for anyone to help you.

■ Financial Survival Tips

Running a successful business really boils down to one critical point: *making money*. We look at the reality of how much money you need to start or run a business, realistic budgets, keeping records, the importance of having a good accountant and how to find one, the cost of expanding, and knowing how much you should be charging for your goods and services.

DON'T BE UNDERCAPITALIZED – HAVE ENOUGH MONEY FROM THE START

There are two types of businesses: those which have experienced a lack of money and those which will experience a lack of it. So lack of money really is part and parcel of the business experience.

You need to have good financial planning and a realistic approach to how much money it will take to get you and your business to where you want it to be.

If you are starting a business, you will need to be sure that there are people who are prepared to buy your products. Realize that it will take you a while to establish your own customers and to build the business up to a level where you are covering costs.

BUDGETS AND PLANNING – WELCOME TO REALITY (PLAN FOR THE WORST, NOT THE BEST)

You need to know exactly how much it will cost to run your business and how much is needed to cover the costs. Learn to set tight conservative budgets.

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A common mistake in business is poor planning and unrealistic expectations in terms of income and expenses. The three most common errors are:

- underestimating costs (expenses)
- overestimating how much money will come in (income)
- failing to recognize that money will be slower coming in than expected

Don't plan for the best possible scenario, *plan for the worst*. Take everything into consideration and make an allowance for uncertain, extraordinary or unexpected costs such as bank fees, legal and accounting fees and so on and so forth.

And *try not to overestimate the amount of income you can make from your business!* Income is never guaranteed until the money is in the bank.

KEEP YOUR PERSONAL AND BUSINESS RECORDS SEPARATE

Maintain your business by keeping your personal and business records separate. It becomes a paperwork nightmare when you have to determine where funds have come from or where they have gone to.

You generally cannot claim personal expenses on your tax return, which means that drawing money for both personal and business expenditures from only one source is a definite no-no. In addition, you can end up paying either not enough or too much tax if you mix the two.

FIND AND USE A GOOD ACCOUNTANT

A good accountant is a powerful weapon in the arsenal required to survive in business.

Be as open with accountants as you want or expect them to be open with you. Be honest in telling them about the positive and negative features of your business, and what you need and want in an accountant. Then have them open up to you in the same way about what they themselves need and want.

An accountant can only be as good as their client. Be open to their ideas, be honest and take their advice – after all, that's what you are paying them for. Make sure both of you communicate properly.

WHAT TO DO IF YOU GET INTO FINANCIAL TROUBLE

It's a simple solution (but then of course the simplest solutions are oftentimes the toughest ones to do). *Talk to people – your suppliers, your staff*. Be honest and open about what's going on.

If you let them know what's going on, why it's happening, and, most importantly, what you're doing about it, most people will bend over backwards to help you. They have a significant stake in your business as well, after all.

Once you get things settled, you can work things out to the benefit of everyone. You could, for instance, work out a payment plan, another logical step. Some companies organize a system where you pay for all new orders up-front and pay off the outstanding amount over a set period of time.

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The actual course of action will depend on you and your agreement, but get the ball rolling and open up first. People will respond to openness and honesty in the best ways possible.

■ Business Relationship Survival Tips

In business we form relationships with many different people and on a number of different levels as well. Each relationship is fundamentally different, requiring you to change hats regularly throughout the working day.

The better your relationship is with everyone you deal with, the better off you will be. Life will be simpler, there will be fewer conflicts, and you will be able to focus on what you do best.

BUILD A RELATIONSHIP WITH PEOPLE IN YOUR INDUSTRY

The first step here is to realize that willingness to share information is not necessarily spilling your secrets. Exchanging information helps both you (people who share information often end up far more successful because they get back as much as they give out) and the industry as a whole. Working with your industry peers enables you to share your successes and failures. If you can share an experience that helps to prevent an industry associate from making the same mistake, you are doing more than a good deed; you are establishing your own credibility as a professional.

Just learn to be selective: differentiate between the data which should be kept close to your chest and the data which can be shared.

FIND A BALANCE BETWEEN WORK AND HOME

To prosper in business, you need to be able to work enough to keep the wolves at bay and relax enough to keep the family remembering your name. Most business people have trouble finding a balance between the two.

Make sure your lists of goals include personal goals instead of only professional goals. However important your business is to you, it's not YOU per se. There is so much more to anyone than just what he or she does for a living.

Often the problem can be solved with simple time management training – you may have to work smarter and more efficiently instead of simply putting in more hours in the office – but it's also a matter of establishing priorities and remembering that you have obligations to your family and yourself as well as your business.

USE MEDIATION TO SOLVE CONFLICT

Dealing with conflict can be very distressing, and unless you know how to go about it, the results can be nothing short of disastrous. Especially in a business environment where quite a bit of money and reputation can be at stake.

Professional mediators can be made use of to resolve disputes. The aim of mediation is simple: to try and get both parties to negotiate and settle their dispute without incurring extra costs and wasting more time. It's far easier and less expensive than going to court.

The mediator's role is to find a resolution that is as close to fair for both parties as possible. Mediation is thus a form of respect as it seeks to find a middle ground between the two parties.

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ACCEPT THAT OTHERS MAY NOT SHARE YOUR ENTHUSIASM

This may seem a strange subject for a survival tip, but there are after all many aspects to business survival; it's more than just profit and loss statements.

It's important for some, especially new business owners, for their milestones to be recognized by others. But that doesn't always happen.

Accept that not everyone will share your passion for and enthusiasm about what you do, or experience your trials and tribulations the way you do.

It is important to remember that you shouldn't take it personally or get discouraged if even your family or staff don't see your goals or achievements the way you see them. You are your own product champion, and no one will ever get excited as you.

■ **Communicate Effectively With Your Staff**

Often poor communicators simply don't know how to pass on information. There are several easy ways to do this:

- The staff meeting. These should be held regularly, preferably at the same time each day, week or month, depending on your needs. They provide an open format for information to be shared in both directions.
- A notice board. This enables information to be passed on without disrupting normal practices.
- Memos. These are normally one-page documents that are distributed to all staff with a specific point being the subject of the memo.
- Email. Intracompany email has become the quickest and most cost-effective way of passing on information within larger organizations.

■ **Customer Service Survival Tips**

BUILD A RELATIONSHIP WITH YOUR CUSTOMERS

Look at your customers in broader terms than the purchase they are currently making. Corporations the world over have realized that if they can keep their customers happy and satisfied for longer periods of time, they can increase their profits dramatically.

It's not sufficient to simply try to jack up the sales numbers; build a relationship with your customers and keep them coming back for more! And remember that satisfied customers can and will spread the word about you and your business.

It's never just the goods and services you sell – customers will expect the best and will definitely remember the experience of working with you and your staff. So give them something positive to remember, talk about and come back for.

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DELIVER WHAT YOU PROMISE – IF YOU CAN'T DO THIS, GET OUT OF THE GAME

Customer service is all about meeting (and trying to exceed) people's expectations. They will come to your business with a certain expectation of what they will get for their money. This is based on a promise you make, whether implicit or explicit, to give them what they want from you in exchange for their cash.

If you can't meet these expectations, most especially if you won't do what's necessary to meet them, then maybe you should rethink what you are doing.

BE HONEST AND UPRIGHT IN ALL YOUR DEALINGS

This might be a cliché, but honesty really is the best policy. At the end of each working day it is important for you to have made sure that everything you have done on that day has been completely honest and scrupulous and will withstand examination from anyone.

If this is not the case, then realize that you should do better.

TREAT YOUR CUSTOMERS WITH THE RESPECT THAT THEY DESERVE

Whenever you are dealing with customers, put yourself in their shoes and look long and hard at your business and how it treats them. If you were a customer patronizing your business, would you come back after having bought or used its goods or services?

Make sure to build a good positive relationship with your customers that is based on trust and happiness. Remember, also, that customers are far more likely to pass along negative feedback than positive feedback, so make sure they're really happy with what you have to offer.

■ Internet Survival Tips

This incredible business tool is available to everyone and can be used as a source of information as well as a fantastic promotional tool. Here are some tips regarding how to harness and utilize its power.

A LOUSY WEBSITE MAKES YOUR BUSINESS LOOK LOUSY

For many potential customers, your website will be their first point of contact with your business and they will make a decision about whether or not they would like to take the next step based on what they see there. A good website will have a number of key components:

1. It should load quickly. If your site takes a while to load, have the designer put something on the screen to interest the viewer and keep their attention from wandering.
2. Use simple colors, remembering that different computers see colors differently. What looks great on the designer's computer may look lousy on your customers' screens.
3. Where possible, include customer testimonials.
4. Keep text to a minimum, but have places on the site where more information can be found.

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5. Avoid using graphics or software that requires downloading plug-ins that people have to download. Remember that people want to go to your site to determine if they want to buy what you are selling. Make it easy for them to do so (otherwise they may head over to a competitors' site).
6. Use pictures of actual people. It's the perfect opportunity to introduce you and your team to potential customers, and it puts a human face on our business, which encourages people to buy.
7. Bells, whistles, flashing lights, and moving pictures are all pretty to watch, but often all they do is slow down the site and create barriers to customers finding out about your products.
8. When you develop your website, have banner advertisements that take customers to other areas of your site, not away from your business. Any advertising on your site should be used to promote *your* business.

BUDGET FOR THE INTERNET SHOULD BE AN ONGOING EXPENSE

You will need to budget for the Internet as an ongoing cost. It isn't a simple one-off cost that you pay and then forget about, especially if your customers will be accessing your website regularly.

But if you can't afford to update your website on a regular basis, be careful about using modish designs or templates, or putting up any information online that will quickly become dated.

■ Legal Survival Tips

At some stage in your business career you will need professional legal advice. It looks at ways to reduce your own legal risks and considers some areas where you need to be particularly careful.

WHEN TO USE A LAWYER

This survival tip is all about being prepared for the worst in the legal sense. Use a lawyer to protect yourself from future legal problems. Most companies use them to review formal documents like leases and wills, as well as contracts between business stakeholders. Work with him or her to make sure that all that you do is completely legal and that you won't fall foul of the law sooner or later.

It's far more sensible to spend money on hiring a lawyer to protect yourself than to wait for someone to sue you, resulting in the loss of everything you own. Don't try to save on legal fees by not working with a lawyer!

THE REAL COST OF TAKING SOMEONE TO COURT – IS IT REALLY WORTH IT?

If you are faced with the real possibility of taking someone to court, it's important to spend some time assessing whether or not it's actually worth it. In general, court proceedings take a long time to conclude, cost a lot of money and can be very stressful to boot.

For these reasons, try to avoid legal action whenever possible. An alternative, as mentioned, is to use a mediator to resolve differences.

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Of course there will be times when you have to resort to dragging the other party to court. Just be careful not to initiate legal proceedings unless all else has failed.

MAKE SURE THAT EVERYTHING IS IN WRITING

The day of the handshake agreement has, sadly, come to an end. If you find that a lot of your business agreements are only verbal and there is nothing in writing, you may need to review the way that you do business.

When something is on paper, it can serve as a record that can be referred to if and when it's needed. If an agreement is in writing and both parties have copies, there will be no room for argument or dispute at a later date. So if you don't have these documents, you could be putting yourself at considerable risk.

Don't be caught flat-footed without these important documents! You'll never know when you need them.

■ **Planning for the Future Survival Tips**

It's absolutely necessary to plan for the future by setting goals on both a personal and professional level.

It's important to know where you are going and whether or not you are getting there, and to plan for the external factors that could very well affect your goals and business in general.

STAY AWARE OF AND UP TO DATE WITH WHAT IS HAPPENING IN YOUR INDUSTRY

Knowing what is happening in your industry is more important today than ever before. Technology is changing rapidly, consumers' habits are changing just as fast and, as a result, the way we do business needs to be able to adapt quickly. Staying aware and up to date any way possible is essential for any modern business.

You can do so by making yourself comfortable using the Internet, joining industry organizations, reading industry publications, and/or attending trade expos or shows, training seminars, conferences, or industry networking functions.

COMPETITION – YOU NEED TO BE BETTER THAN THE REST

Competition is the lifeblood of business. In some shape or form, we all compete with many other companies. The best businesses tend to survive because they are committed to being the best.

Can you honestly say that you're the best at what you do? If not, you might want to take a look at and consult your customers to make sure the picture is as perfect as you can possible make it. It can sometimes be a matter of being humble enough to realize that your business *can* be improved.

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ALWAYS HAVE A PLAN FOR WHEN THINGS GO WRONG

Despite our very best efforts, things can do and go wrong sometimes; it's a fact of life. This is why we must be prepared for when things go wrong, because sooner or later they will.

Regardless of the size of the problem, have a plan ready just in case you need it. Make sure it's easily found or accessed and that everyone knows what to do with it. If you can't deliver what you promised or if the wrong part has been delivered, make sure that your business can act quickly to sort out the problem and keep the customer happy.

DON'T JUST LOOK AT YOUR BUSINESS IN TERMS OF FACTS AND FIGURES

Business success can be measured in many different ways. Ask yourself the following questions:

- Are you proud of what you do and do you truly believe that you give 100 percent towards being the best you can be?
- Have you established strong relationships with customers, staff, suppliers, and other people that you deal with on a regular basis?
- Have you managed to balance work and home?
- Do you live a healthy lifestyle?
- Do you give praise and show sincere appreciation where it's due?
- Do you love what you do?

SET YOUR BUSINESS UP SO THAT SOMEONE WILL WANT TO BUY IT

There are three main ways to increase the appeal of your business, regardless of its size, to potential buyers:

1. Show that your business is built on a solid foundation. This can be achieved by having a business plan and a marketing plan.
2. Have a clean business slate. Make sure that your tax and business records are up to date and accurate, and that any issues with customers or suppliers have been resolved.
3. Show the potential of the business. This is the key area that prospective buyers always want to look at.

There are of course, other factors that are important, and this is where your accountant and legal representative come into play. Some buyers won't be interested in any of the above; they will want only to see your profit and loss statements.

■ **Enjoy the Journey**

Making your own business a success is one of the most exciting and rewarding challenges that a person can take on. It may take several years to achieve financial success, but as mentioned there are many other ways to measure success.

Successful business people have realized that there is a lot of enjoyment to be had along the way. So don't get hung up on the numbers – there are so many other things to look at and work towards as well!