

**Ask SCORE...**

Counselors to Naples Area Small Businesses

**SCORE Naples**  
[www.scorenaples.org](http://www.scorenaples.org)



# *Ask SCORE*

By: *Gray Poehler, Business Counselor*

## **7 STEPS TO SMALL BUSINESS SUCCESS**

**QUESTION:** *I am in a dead-end job and long for the opportunities and challenges of owning and operating my own business. I am in the process of writing a business plan and will appreciate any insights you can offer to help me get started.*

*Sidney S, Golden Gate*

**ANSWER:** *Sidney, The following is an article taken from the National SCORE library that should help you make the right decisions:*

### **1. Start Smart.**

*Identify a niche. Don't compete to be the lowest cost provider. Look for what makes your product or service unique and adds a special value for the client, then charge for that value. Begin with what you know and like, then start a business that has special meaning to you. Keep in mind that we don't know what the future holds, many of the jobs and businesses of tomorrow don't exist today. You can create your own success. Now is the time to dream. To start smart, you must believe in yourself. The way to earn a good income and build wealth is by serving clients well, making their life better in some way—it's more than just filling a need in the marketplace. To succeed you will want to test your idea to make sure your potential clients like the idea too.*

### **2. Plan Ahead.**

*People often ask why bother with a business plan? Look at the lottery as an example. You may get lucky and get the winning ticket, but the odds are against you when you rely on random chance. Minimize the risk of going into business and maximize your potential for success. Take the time to write a plan of how you get from point A to point B. The business plan gives you a clear future focus and increases your chances of success.*

*The first rule of a start-up is to put some of your own money in the business. As the owner, you must be willing to capitalize the business. The second rule is put as little of*

*your own money as possible in the business. Prepare your plan and look for funding for your business from multiple sources, which can include a business loan or business line of credit from a bank or investor group. The Small Business Administration is also a possible resource.*

*Don't go it alone. Plan ahead now to build your team. Your team may include a CPA and an attorney that you work with as needed. Add a mentor from your industry and get a SCORE mentor to help you plan for success. No one has all the answers. You will get more ideas and information by building a successful support team that can help you plan ahead and avoid costly mistakes.*

### **3. Set up Systems.**

*The most basic system every business should have is a good financial system. Ask yourself how am I going to generate enough income to support myself and my family. Begin here. Put together a personal budget, so you know what it costs you to live. Now, you can move on to the business budget and sales planning, so you can see how many sales you need to break even and make a profit. The start-up expense plan, operating budget and your accounting software are vital to your success. QuickBooks software by Quicken is an excellent tool for a start-up business.*

### **4. Seek out Sales.**

*The daunting question is how do you go about seeking out your first sale. Recognize that since you don't have a big ad budget, you need to target a niche and get connected in your market community, be it local, regional or national. You need other people selling for you—not employees—goodwill referrals. Get out and talk to as many people as you can. Join organizations that would have potential clients for your product or service. Become a visible part of your market, and then always ask for the sale. You begin the sales process with people that you know. Yes, it's okay to start with friends and family as your first customers, and then branch out from there..*

### **5. Aim for Growth.**

*The basic tenant of creating a company is that you own the company. You are not just creating a job for yourself. It's less risk and less investment to get a job. Building a business is creating a company that is more than the job itself. Think about the future. How large do you want the company to be in terms of sales, net profit and employees? Your answer to each of these questions will influence how you grow. There are varying costs and profits associated with growth. It's important to make a deliberate choice early about how you want to grow your company.*

#### **6. Leverage Opportunities.**

***Good luck, good fortune, and good timing, all play a part in business. As a business owner, be very clear about your core focus for the business and how it serves clients. Your core business is what pays the bills. Then, as an entrepreneur, you are all about opportunity. When you see a potential opportunity or stroke of luck, measure it against your core business focus. Good fortune is great, when it matches your vision for the business. Always consider if a good opportunity is the right fit for your business. If something looks great, but it's not in sync with your long-term plan and budget, think carefully before committing your company's resources.***

***Take advantage of opportunities that make sense for the long term. A perfect example is McDonalds. Ray Krock started a small business that became a large franchise network with a consistent product, consistent systems and an ability to change and seize opportunities such as the Golden Arch card and offering healthy salads to meet the interests of today's health conscious consumers.***

#### **7. Plan Your Exit.**

***Someday you may want to sell your business or retire from business. Today, ask yourself what's next? How can I have an asset in the future that someone will buy? If you are going to sell someday, you have to have something to sell—a plan, vision, business on the books, equipment and systems. Whether you have been in business for one week, one year or 15 years—look ahead to what the business itself will be as an asset. Your business has value, value you are creating today. To sell or distribute equity in the business you need to have it down on paper and keep good financial records. Know the worth of your business, so you can know the value it can bring to your future wealth and/or retirement.***

***For more information on this and other business topics, contact the Naples Chapter of SCORE. Counseling is offered FREE of charge. Just call 239-430-0081 or visit [www.scorenaples.org](http://www.scorenaples.org) and click on “request counseling NOW as a first time client.”***

***The SCORE business office is located at 900 Goodlette Road North, in the Fifth Third branch bank building. Office hours are 9:00 am to Noon, Mondays through Fridays.***

***If you would like the answer to your question considered for publication in this biweekly column, please fill out the form located at [www.scorenaples.org/askscore](http://www.scorenaples.org/askscore). A SCORE counselor will contact you within 48 hours. Please include your name, email address and a contact phone number.***