

# Sustainability in Small Business

By Lori Durden

Whether it's due to the floundering economy, flat housing market, or time of year, it seems that more small businesses than usual are in financial distress. Let's face it, entrepreneurship is risky, and many don't survive past the three year mark. But some are not only surviving, but thriving. So, what's their secret? Other than being an expert in their field, they seem to follow some very basic principles. After all, having good business sense often comes back to the simple things. Here are some commonalities I've noticed among small businesses who have managed to survive for the long haul.

## Stay energized!

Small business ownership is not for the weak and faint of heart and it can be exhausting. At the birth of their business, small business owners are fresh, younger, not nearly in debt and are having FUN. But, just like everyone else, entrepreneurs get burned out. Some may even realize that self-employment is not as easy as they thought it was going to be. You have to be able to endure in good AND bad times; and the bad times can be lonely . . . really lonely. If this sounds like you, then I encourage you to network with other entrepreneurs – non competitors of course – and confide in and learn from one another. I think you'll find that you share many of the same challenges and issues. Hopefully, you'll be able to motivate each other and stay energized for the long haul. Some good places to start might be with your national trade association or a FastTrac course offered through your local SBDC office. See

[www.georgiasbdc.org](http://www.georgiasbdc.org) for information on upcoming sessions.

## Live within, even below, your means.

When analyzing a company's financial statements, the "owner's compensation" line gets my attention. Most small business owners will say they are "living as lean as they can," yet there are two new cars in the driveway and three kids in private school. Why is it so hard to live within your means? . . . it takes a lot of discipline and strong character to do so. See, there is a great misconception that success in business equals a fancy house in the best neighborhood. Forget the standards placed on you by society and do what is best for you and your family, which means saving for the rainy day and not draining the business of every last cent to make the Lexus payment.

## Get a job.

I often make this suggestion to husband and wife partnerships who are struggling financially. Somehow they think that if one of them leaves the business to seek outside employment, it's a sign of failure. Not true! In my opinion it shows good business sense and fiscal responsibility. Landing a job with benefits . . . even better.

## Face the music.

It's human nature to avoid things that make us uncomfortable. We all make mistakes and poor business decisions, but it's often hard to take responsibility for those mistakes. So many small business owners simply don't. Instead, they continue to work hard, hoping that the financial situation will rectify itself. Unfortunately, if you don't stop and learn from your mistakes, they are likely to repeat themselves. That's why it is imperative that you spend *at least* one day a month working *on* your business not *in* your business. This could mean

a strategic planning session with your key employees, meeting with your CPA, or just a day spent doing some sort of professional development tailored for small business owners.



Here's the flipside . . . self-employed people make up less than 20 percent of the workers in America but **account for two-thirds of the nation's millionaires**. According to Thomas Stanley and William Danko, authors of "The Millionaire Next Door," many entrepreneurs are stacking up net worth of one-million plus by doing simple things just like those outlined above. And what exactly does the "next door" part mean? It means that you'd never know they are wealthy by where they live or what they drive or what they wear. They don't define wealth and success in terms of material possessions, but rather by accumulating appreciating assets and building a sustainable business.

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