

# Ten Truths that all Small Business Owners Should Know

By Lynn Vos

Last week a new business owner asked me what ten things would I tell a family member who was starting a business. This was an intriguing question and one that I pondered. At first, I thought of the standard things such as write a business plan, know your break-even point, know your target market, etc. Then I realized that you would pick that up in any literature on starting a business. It's the other little nuggets that you need to know that you won't necessarily find in a business book. These "points to ponder" are really for all business owners, not just those who have recently started. As we know from our current economic conditions, all businesses can stray from the fundamentals.

So here are some tips to keep in mind as you go about your daily business:

**#1 Don't ever forget that nobody will look after your money like you do.** It's okay to seek advice on investment strategies, tax savings, and other vehicles to make money. It may also be okay to let others keep your books, make deposits, and ring up sales. But at the end of the day, you need to know how much money you have, where it is, and if it is at risk.

**#2 There is always competition.** No matter what product you sell or

service you provide, your customers can find someone else to do it or they can just put their money in the bank. So never think that you are the only game in town.

**#3 There is no standing still; if you are not improving you are losing ground.** I was at a seminar a few years ago and one of the speakers made an interesting point. He suggested that we as people were "depreciating." The point made was that if you are not improving and learning new skill sets on a regular basis, you will become like old inventory...obsolete. This also holds true for businesses.

**#4 Just because it's new technology doesn't mean you need to have it.** So many times I see business owners buy very sophisticated and expensive technology to do a job where a much less expensive and simpler technology would have been sufficient and easier to use.

**#5 It's what the customer wants not what you want that counts.** I think this speaks for itself. Stay focused on what the customer wants and don't forget that customers vote with their wallet.

**#6 The time to seek legal advice is before you sign on the dotted**

**line.** All I can say is don't be so in love with any piece of property you want to lease, any business you want to buy or sell, or any contract that you want to obtain that you don't take the time to have it reviewed by your attorney before you commit to the deal.

**#7 Without revenue, nothing else matters in business.** Don't forget the basics of making sure your cash register rings. It is so easy to get distracted by administrative issues, but you must always remember that without sales there is no business.

**#8 Without performance, image means nothing.** You can have the greatest marketing effort in the world but if you don't have the ability to deliver the product or service, you've wasted everybody's time and your money.

**#9 Get to know your banker before you need them.** If you have a long-standing relationship with your banker before times get tough, it is easier for them to go to bat for you. They already understand your business and know your strengths.

**#10 Always have an exit strategy.** You need to know how you plan

to exit the business on both the winning side and losing side of the game. If your business is failing, how much can you afford to lose and when do you need to pull the plug? If your business is successful, how



much do you want to sell the business for and what does it need to look like to get that price?

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