

The Seven Secrets to Small Business Success: Simple and Sensible Often Make or Break an Enterprise

Small businesses are a source of financial strength that provide entrepreneurs a path to pursue their dreams and employees the opportunity to work in exciting and fulfilling environments. They are the growth engine of our economy.

Yet many small businesses close up shop soon after they launch. In fact, according to national labor and employment statistics, as many as 60 percent of small businesses fail within their first five years. In Georgia, that means as many as 17,400 of the 29,000 small businesses started in 2000 are no longer in business today.

As a former small-business owner and now as president of Bellsouth's Small Business Services division, I've learned a few things about small businesses. I've come to appreciate that it's the little things that can make or break an enterprise. I've also come to understand that the difference between what works and what doesn't can be more about attitude than implementation.

Following are some sensible—yet significant - standards featured in a new book called *The Customer Approved Small Business*. I know they work because we employ these same standards in Bellsouth's Small Business Services division.

Have a business plan

A business plan identifies your goals, aligns your resources, leverages your strengths and balances your weaknesses. A business plan is your guide to navigate through turbulent times and to make tough decisions when necessary.

Hire motivated staff

Recruiting, hiring and retaining a highly motivated team is a big challenge for small business owners. You should hire for attitude, train for skills and inspire through action. Channeled effectively, employees that are committed and engaged will be your most valuable assets.

Demonstrate genuine appreciation for employees

The No. 1 psychological need of most people is to feel appreciated. Oftentimes a simple “thank you” or “job well done” will do. Giving birthday cards and flex time are other ways of demonstrating appreciation.

Measure twice, cut once

This old adage applies to business as well as carpentry. Always start new projects or campaigns with a beta test on a small scale before going to mass market.

Be able to explain the purpose of your business in a single sentence

Develop one sentence that clearly describes the essence of your business. It must differentiate you and help clients and prospects understand the benefits of working with you. Sometimes this is called a positioning statement, elevator statement or 30-second sell.

6. Ask the right questions when making decisions

When faced with a key decision, ask yourself two questions: 1) what is the cost of doing something and 2) what is the cost of not doing it? In addition to the financial investment, also consider “soft” costs such as time, the effect on business relationships, lost opportunities and the impact on corporate culture and employee morale. The quality of your business decisions is the difference between success and failure.

Deliver consistent quality service

Consistent quality service builds brand loyalty and brings your customers back. This is your company's promise to customers. Make it a value at your company, engage your employees with the same passion and remember to treat your customers the way you want to be treated as customer.

It is important to communicate regularly with your customers. Ask them how you are performing and how you can improve. Collect as much information from them as possible so you can serve them even better. Tell them about new solutions you can offer to address their business problems but, above all, listen.

At Bellsouth, we do more listening than anything. That's because we believe it's the only way to truly understand our customers' needs and then be able to meet their expectations with the right products and services at a competitive cost. You see, *Listening.Answering*.TM isn't just our brand tagline, it's our business promise.

What is your brand promise? How well are you keeping it?

Finally, do what you say you'll do. Stay true to your word and your customers will stay true to you. Earn their trust and confidence and they'll not only grow with you but also encourage others to count on you.

Scoby, David. "The Seven Secrets to Small Business Success: Simple and Sensible Often Make or Break an Enterprise." *Catalyst* July 2005: 56.

10 Smart moves for Retirement

- 1. Max out/catch-up your 401(k) and IRA.** Roughly one in 10 employees invests the full pre-tax contribution allowable each year in their 401(k). When creating their retirement income plan, Fidelity found that investors in or near retirement who started saving early and consistently took advantage of savings opportunities, including tax-advantaged workplace savings plans, IRAs, employer matches and "catch-up" provisions, generally were better prepared for what they needed for retirement.
Save now to have more later. One of the most common obstacles for saving for retirement is finding extra cash, and the most common solution is reducing expenses and paying off debt. For example, put off purchasing a new car for a couple of years, eliminate credit card debt, or take a major vacation every other year.
- Make your asset mix match you.** Avoid two of the most common retirement savings mistakes: being overly cautious or taking excessive risks when deciding how much of your assets to invest in cash, stocks or bonds.
- 4. Stretch your salary.** While Americans generally don't think about working in retirement, a number of investors are planning to work to some degree, and for several very good reasons. Some nearing retirement want to close the gap between their initial Social Security distributions and when employer pensions are scheduled to kick in. Others simply want the advantage of a regular income and subsidized healthcare benefits.
- 5. Create a regular income stream.** Although company pensions are on the decline, many investors still want the peace of mind that comes with receiving a regular income.
- 6. Don't withdraw too much too soon.** Odds are that at least one member of a 65-year-old couple will reach the age of 92. A large number of Americans developing retirement income plans underestimate their longevity and must adjust their expected savings withdrawal rates to better reflect their retirement budget.
- 7. Create a realistic budget.** Two out of three pre-retirees have not developed a budget for living in retirement. Many of those who haven't considered the lifestyle changes that they'll face and how those changes will affect monthly expenses.
- 8. Expect the unexpected.** Unforeseen events or illness can throw off the best of plans. Fidelity estimated that a couple retiring today at 65 should plan on spending \$190,000 for out-of-pocket medical costs over the next 15 to 20 years.

It is also found that retirees and pre-retirees are underestimating future medical costs. Only one in four have even purchased supplemental health coverage or long-term care insurance.

9. Stay on track. Pre-retirees and retirees anticipate having, on average, nine sources of household income in retirement. Not surprisingly, they expect that planning and managing these multiple incomes will be a more difficult task than saving for retirement.

To help stay on track, individuals and spouses should review their plan annually, including expenses, investments and asset allocation. In working with recent retirees, Fidelity found that, many times, investors' expenses in retirement exceeded their expectations.

10. Mix 'n' match. A successful retirement takes more than a one-step solution. Whether it's finding a "fun" part-time job, eliminating one of the family cars, or taking a vacation locally, the most confident, better-prepared retirees have taken action and implemented multiple strategies to extend their income, control their spending and maximize their savings.

Kahan, Stuart. "Get your clients started: 10 smart moves for retirement." Accounting Today 08 2005: Financial Planning, 18.