
DIGEST

MAKING IT!

Tips for Business Banking and Accounting

From "How to Succeed in Business without Lying, Cheating or Stealing" by Jack Nadel

ALL BANKS ARE NOT CREATED EQUAL.

Banks come in all sizes and descriptions. Never try to change them. It can't be done. Some are perfect for the small service companies. Others are slanted to big manufacturers. Still others build their services around the global market. Proper research will reveal the right bank for you. The choice is the customer's.

A GOOD BANKER DOES MORE THAN JUST LEND MONEY.

Making loans is the main business of most banks. Their traditional profit comes from borrowing money at one rate and lending it out at a higher interest. Banks can be a great source of information. They are in a unique position to check the credit of customers and suppliers. If they have a strong foreign department, they may even recommend trading partners in other countries. Check out all services being offered free or at a moderate charge.

THERE IS NO SUCH THING AS A BAD DEAL FOR AN INVESTMENT BANKER.

When the deal is made, he takes his money up front. To him it really makes little difference if the debt can be serviced. If a leveraged buyout is being financed with junk bonds, all the commissions have been paid long before the first interest payments are met. Most of these deals seem too good to be true. And they usually are. Don't trust them. Whether you win or lose, they win.

YOUR BANKER NEEDS A CASH FLOW PROJECTION – YOU CANNOT BE TOO CONSERVATIVE.

If you are optimistic in your projections, the loan that is made will not carry you as long as it is needed. Then you will have to go back to the bank to borrow more money. It becomes difficult to raise your credit line. You underestimated your needs, and there is now a lack of credibility. It is much better to get a higher credit line than you need, even if it costs a little more.

NEVER TALK TO A TAX EXAMINER WITHOUT YOUR ACCOUNTANT PRESENT. BETTER STILL, DON'T TALK TO HIM AT ALL.

Tax people have a language all their own. Ordinary civilians can go bonkers trying to reason with them or even understand why they are so intransigent. A good accountant understands the language and has the patience to deal with them. He may even get the tax guy to accept your position.

LAWYERS AND ACCOUNTANTS, LIKE TAXI DRIVERS, LIKE TO KEEP THE METER RUNNING.

It is very much in order to check all the bills from your accountant and your lawyer. You are usually charged by the hour. It is up to you to decide whether all the time spent on your affairs was really necessary. Were you telling irrelevant stories and being charged \$300 per hour for being sociable? It is almost impossible to get the details on all of the time being charged. However, the mere act of questioning the charges keeps them down.

TELL YOUR ATTORNEY EVERYTHING BEFORE YOU GET INTO TROUBLE.

Only you are aware of everything you do and why you do it. If you have even a remote feeling that something you did can have a negative legal consequence, discuss it with your lawyer. Even if it makes you look bad, tell everything without fear. It will be kept completely confidential. Basic law protects attorney/client confidentiality. He may come up with answers to your problems that may never have occurred to you.

GETTING PAST YOUR BUSINESS LAUNCH

BRAD SUGARS OFFERS TIPS TO HELP YOU KEEP YOUR NEW BUSINESS GROWING IN SIZE AND PROFIT.
(Excerpts From Entrepreneur.com)

- ♦ **Hire people who are better at the job than you are.** Put simply, great employees may cost you 20 to 30 percent more in wages, but they can be twice as productive as mediocre employees. Invest in good people.
- ♦ **Place high urgency in everything you do.** Always do everything you can today. Too many people treat their businesses as nine-to-five jobs. Never put something off until tomorrow if you can do it right now.
- ♦ **Get customers coming back.** The road to profitability is through repeat business. Your business grows when you add regular new customers on top of existing regular customers. Think of it this way: What if every customer you ever got stayed for life? How many regular buyers would you have?
- ♦ **Make decisions quickly.** New companies don't have the time or resources to stand still. General H. Norman Schwarzkopf once said to me, "When placed in command, take charge."
- ♦ **Deliver more than you promise.** If you tell a customer it'll be three days, deliver in two. If you think it'll be two hours, say three hours and surprise them. This is the best form of marketing ever.
- ♦ **Price yourself for profit.** Don't ever be the cheapest. You're the little guy; you don't have economies of scale. Big companies can make up in volume what they lack in margin. You can't.
- ♦ **Never spend a dollar you don't have to.** Too many new business owners go and buy the best stuff because they think image is important. Listen, when you get profitable, you can have a big mahogany desk. Right now, just get a desk.
- ♦ **Set a big vision.** *Start Small, Finish Big* should be the title of your book. Don't aim to be the best dog trainer in Montana--aim to be the best in the country. Remember, building a business is a 10-year plan, not a one-year plan.
- ♦ **Marketing is math.** Don't ever let an advertising sales rep teach you anything about marketing. Reps will say dumb things like, "Half your advertising works and half doesn't--and you'll never know which half." Rubbish. If an ad that costs \$100 makes you \$100 back in profit, it's a good ad.
- ♦ **Learn to sell.** There's nothing worse than a business owner who isn't willing to sell--or even learn to sell. No company makes money unless someone sells something, and you can't just rely on people you hire to do the selling for you. If you want to grow a profitable business, you've got to learn sales yourself.
- ♦ **It's simpler than you think.** Before most people even go into business, they work it up to be far more complex than it really is. Business is very simple: Sell at a profit and keep at it. Overcomplicating the process won't help anyone.

“THE 7 HABITS OF HIGHLY EFFECTIVE BLOGGERS”

It's no secret that blogging has led to a boom in online businesses. Even if your business is not based on the world wide web, you too can utilize the following to create your own business blog that focuses on your enterprise and subjects related to it Excerpt from S.R Datta (from Business 2.0)

Focus intently on a narrow niche, ideally one whose audience has a predilection for high-margin products. That will appeal to advertisers.

Set up your blog so that each post gets its own permanent URL, or permalink, and its heading becomes part of its permalink and page title. Write descriptive, keyword-heavy headings, and be sure the homepage and all archives have links on every page.

Think of your blog as a database, not a newspaper-like collection of dispatches. Your archived posts should be easy to find through Google and Technorati, so cite authors and publications by name, and use tags, categories, and keywords consistently.

Blog frequently and regularly— if possible, at least half a dozen posts every weekday before lunchtime, when many readers take a break from work and check out the blogosphere.

Use striking images in your posts. They liven up the page and attract readers, and if you use captions, you'll gain additional traffic by making it easy for Google Image Search and other visual engines to index your illustrations.

Enable comments and interact with readers; cultivate your audience – that's what advertisers will be paying you for.

Make friends with other bloggers, online and off. Link to their posts and they'll return the favor. Other blogs may well send you most of your traffic.

5 Quick Small Business Marketing Tips to Get your Business Started

Excerpt from Mark Cahill (www.variocreative.com)

Think big - Just because you know there's only two of you in your company doesn't mean the world needs to know.

Don't put off good ideas - It's too easy to say "I'm too busy, I'll get to it tomorrow." If it's a good idea and it's going to have a positive business impact, find the time

Keep your focus, Pt. II - Don't get distracted by mixing personal stuff with business, especially in marketing. Yes, your niece is cute, but we don't need to hear her butcher the English language in your radio ad. Spend a

few \$\$\$ on a real spokesperson.

Keep your focus, Pt. II - What's the message you are trying to get across to the customer? On some level, a marketing message should boil down to one core idea, and you ought to be able to roll it off your lips almost without thought. Stay on the message, and eventually they will hear you.

Let your customers speak - it's one thing for us to say we're great, but it's better for a customer to say it. Try to include more customer testimonials and quotes in your marketing.