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SMALL BUSINESS

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Starting a Small Business? Here's What the Experts Want You to Know

How to be a risk taker: What separates the risk takers – be they people or organizations – from the rest of us? These are the conclusions offered by the editors and writers of Fast Company in *The Rules of Business*:

- **Not overly preoccupied with making mistakes.** All the old clichés – such as “Even the best hitters in baseball fail 7 out of 10 times” – hold true here. Successful risk takers learn from their mistakes but don't brood about them.
- **Willing to admit when they are wrong.** They kill the project and start another.
- **Relentlessly upbeat.** They minimize the downside and focus on what could go right.

Why are we in business? Ron Baker discusses this on his radio show and the resulting book, *The Soul of Enterprise*: “I ask this question a lot, a majority of people answer, ‘To make a profit.’ But that’s not the purpose of a business. The purpose of a business, [management consultant and author] Peter Drucker thought, was to create a customer. We’re saying it’s to create value outside of your four walls. Peter Drucker also made another point that ties these two laws together very nicely, which is that the only two functions that matter in any business are marketing and innovation. It’s only marketing and innovation that create results. All the rest are costs. The customer doesn’t really care about costs. It’s something he called the marketing concept and I love it because it’s simple, but not simplistic.

In *So You Want to Start a Business*, authors Edward Hess and Charles Goetz reveal the **eight most common start-up mistakes**:

1. Choosing a bad business opportunity. They claim the difference between a business idea and a business opportunity is that opportunities satisfy existing customers needs and customers are willing to pay for satisfying those needs, whereas an idea might be nice to have but not necessary.
2. Choosing the wrong customers. A successful business creates a match between the right customers and the right products or services that meet the needs of those customers.
3. Choosing the wrong product. The right product is the one that provides the customer with what he or she needs at a price they can afford and which will allow you to make a profit. Many entrepreneurs fail the product test by choosing a product that they love more than the customers.
4. Pricing products or services improperly. Know how much it costs to produce your product, know the price your competition is charging for a similar product, and use the concept of value pricing which is truly understanding what your potential customer is willing to pay.
5. Not selling to enough customers quickly enough. Customers don’t like to change their buying habits. Understand the lifespan of your product and how the time it takes to make the sale will impact your customers.
6. Not executing well. Always remember that you are required to deliver a quality product on time, every time, defect-free, at a profit.
7. People problems. You must be prepared to be successful in all of the relationships with the people with whom you do business: your employees, your customers, your investors, your suppliers.

8. **Mismanaging growth.** Understand the elements of how you can expand your business before you begin. Consider potential changes in cash flow, staffing, quality controls, technology, future investments, and leadership.

This Month's Top Small Business Social Media Posts:

- Small Business Trends blog: 5 Invoice Tips to Get Your Small Business Paid Faster – <http://bit.ly/2jdbnXb>
- NevadaSmallBusiness.com blog: Invoicing Tips: Cutting Collection Costs – <http://bit.ly/2naBHPT>
- Sighted blog: Top Invoicing Tips for Small Businesses and Freelancers – <http://bit.ly/2mxicnH>
- Iconis Group blog: Invoicing Tips for PR Agencies – <http://bit.ly/2lYGB2b>
- Oneresource blog: 7 Invoicing tips for Small Business Owners – <http://bit.ly/2n1xKO4>

Latest Small Business News:

- **68% of Small Businesses lack Disaster Plan**

While most small-business owners don't have a formal plan, many have taken various steps to prepare for a natural disaster. The majority reported that they can work remotely in case of a natural disaster (82 percent), have duplicated and stored their company's vital records off site (75 percent) and have access to alternative suppliers (78 percent). <https://www.cpapracticeadvisor.com/12312342/>

- **How Retailers Can Take Advantage of Amazon's Weaknesses**

Major opportunities for retailers exist with younger shoppers – 76% of digitally native 18-24 year olds make less than half of purchases on Amazon. This group [prefers in-store shopping and a seamless buying experience.](https://www.cpapracticeadvisor.com/12312333/)

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- **Hispanic Small Businesses See Growth, Expect More Hiring in 2017**

Hispanic small business owners across the country are significantly more optimistic about revenue goals and hiring plans in 2017 than their non-Hispanic counterparts, according to a new study by Bank of America.

<https://www.cpapracticeadvisor.com/12309552>

- **Small Business Confident, but Cautious of Economic Instability**

According to Xero's second annual Make or Break Report, which examines the opinions and character traits of both small business owners and accountants in the U.S. and U.K., both owners (79 percent) and accountants (84 percent) feel more confident about 2017 than 2016. <https://www.cpapracticeadvisor.com/12307528/>

- **Would an Import Tax Raise New Car Prices?**

The supply chain for parts and vehicles made in the U.S., Canada and Mexico is among the most closely integrated in the world. Some raw materials components cross borders many times in the manufacturing process, potentially being taxed repeatedly before a finished vehicle ships to the dealership.

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