

TAKING CARE OF *Business*

by Lisa M. Berlin



Starting my own business was one of the most exciting and most frightening things I have ever done in my life. I remember sitting up the entire night after I made the decision and signed the paperwork, thinking, "What have I done now? What will happen if this doesn't work?" I was comforted only by the amount of research and thought I had put into this decision, and the hope that it would solve my career dilemma, but I really was not sure what would happen.

In May 1988, I was a parent with two young children, aged 3 and 6. I had a strong professional background - MBA, and many years' business experience and training as a bank manager. We had recently come back from living abroad for six years and I had quit my job with a large bank there when we moved. I had enjoyed my job but felt strongly that it did not allow me enough time with my family. A patchwork of babysitting arrangements had been a constant source of anxiety, and I wanted to be more involved in my children's lives.

The logical step seemed to be to look for a banking position again. I found one that seemed ideal professionally — challenging, well paying and with opportunities for advancement. Yet once again someone else would be setting my schedule, without regard for childcare availability and school schedules. Once again there would be nights working late and early morning meetings. With a very heavy heart, I turned the position down, only to wonder what I could possibly find that would be less time-intensive yet still professionally worthwhile.

I began calling local businesses to see what kind of part-time positions they had available. The answers were not encouraging. I was overqualified for the positions available and could not earn what I was worth. Finally, after several sessions with a vocational counselor, the

idea of home-based service business was born. I could use my professional skills; earn a reasonable amount, and somewhat set my own schedule.

Taking Care of Business, Inc. was born in August, 1988. Its mission was to help people manage their personal finances. I started with one client, and then another and another...- and at the end of a year, I knew what would happen: the business was going to grow. After several clients asked for help with managing their small businesses, I decided to offer management consulting services with a specialty in home-based businesses. Having started one myself, and having helped friends and family start others, this was a great opportunity to share my expertise.

The most important thing that you can do to insure the success and growth of your home-based business is to treat it like a business. Take it seriously, and give it the best you've got and then some. If you are opening a new business or expanding your present one, here are six areas that merit extra consideration:

- 1. Are you adequately capitalized?** I usually advise clients to carefully estimate their expenses for the first year, using a worst-case scenario, and then triple that estimate. There are so many unforeseen expenses for a new or

expanding business and clients do not always appear when we need them. Allow yourself a cushion for irregular cash flow.

2. Make a commitment to bill and collect on time. This can save you a lot of cash flow headaches. It's an unusual client who will pay if you don't bill him, yet it's an unusual business owner who has time to send out bills. If you are having trouble collecting, get tough or hire someone to do it for you. Review accounts receivable frequently and contact the late paying client as soon as you are aware that he is late. The longer you wait, the less chance you have of collecting and the more unpleasant it gets.

3. Use professional advice. You may want to interview several attorneys, accountants and bankers to find the one you feel most comfortable with. A professional business management consultant can help you to improve your management skills, make better decision, and improve profitability. Your advisors have a great deal of experience to offer you, and can help you to make good decisions. They will often become sources of good decisions. They will often become sources of referral business for you as well.

4. Hone your management skills. As a small business owner, you will also be Sales and Marketing Manager, Bookkeeper and Comptroller, Administrator, Personnel Specialist - the list is endless. It is amazing how many "departments" a small company can have. The better your training is in these roles, the more comfortable and effective you will be. If you absolutely cannot perform one of these functions, hire someone who can. They are all necessary for a business to grow and prosper.

5. Plan for growth. Many businesses start off slowly and continue to grow slowly but steadily. Others grow more rapidly, and in "fits and starts." Whatever pattern your business follows (and it may change), it is important to realize that if you are taking your business seriously, and marketing well, your business will grow. Assume the best and plan for it! A good idea is to prepare a business plan that details exactly how you plan to expand, according to

which milestones, and your best estimate of the cost. Again, you should probably take that figure and triple it, because there are always unforeseen costs, and you should update your business plan at regular intervals.

6. Reach out to others. Home-based business people often mention that they feel isolated, and miss the camaraderie and shop talk of an office. By being involved in your community and business organizations, you will find colleagues and friends and again feel that you are part of a larger support group. You may also get to meet the competition in an informal setting. Clients often say that they feel guilty about spending scarce time and money going out to lunch or volunteering for a business organization. My feeling, however, is that this is time and money well spent, for these are ways of nurturing supportive relationships that will get you through the difficult times that any business faces.

The areas above are critical for any business, but especially so for home-based ones. Awareness of these basic principles will help you to run your business more smoothly and to weather the ups and downs that are a part of all businesses. The key is to take advantage of the flexibility that a home-based business offers, meet the challenge of building a customer base, and keep a professional attitude towards what you do.

I have indeed found flexibility, challenge and professional satisfaction in my home business. I work very irregular hours, and I do use outside childcare, but the perfect balance between family life and career seems less elusive now. Now if someone could only invent a self-cleaning house that would work while I do...

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