Be Prepared!
While Most Small-Business Owners Are Preoccupied with Profit and Loss, a SCORE Partner Can Help Them Against Unexpected Pitfalls.

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These posters were created by the War Production Board, Office for Emergency Management, during World War II. The 1917 poster in the center is from the Boy Scouts, with the group's famous motto. Images via Wikimedia Commons
Important!
It is very important that everyone log into and use the CORE reporting system inputting for all follow-on, follow-up mentoring/counseling activities.

Did You Know?

- From Jan 2016 to Dec 2016, there are 38 scheduled Chapter 15 seminars workshops across libraries in our three-county area (Essex, Hudson, Union) and Newark headquarters.
- Some 13 Chapter 15 members dedicate their time and talent to prepare and deliver a variety of great SCORE topics, each tailored to our area across three counties.
- Our Web site, www.scoremetronj.com, provides a full listing of seminar topics and communities served. It is quite impressive!
- Peter Fleischmann, Library Seminar Program leader, has expanded our program to many new and noteworthy locations.

To continue offering our quality programs, we need your help. Please step up and offer a few hours to help our clients!

Please contact Peter Fleischmann by e-mail, at bpfczech@aol.com, and let him know. He is leading the charge for SCORE Chapter 15 seminars and is asking for help from the Chapter to fill empty slots.

EXECUTIVE COMMITTEE
SCHEDULE OF MEETINGS:
May 11
June 8
July 13
August 10

Sue Melamud, Chapter Chair
Don Rogers, Chapter Co-Chair and Recording Secretary
Dennis Newnham, Vice Chair, Community Outreach
Richard Berek, Vice Chair, College Outreach
Barry Marks, Marketing Chair
Peter Fleischmann, Chair, Library Seminar Program
Kern Bosland, Spanish Outreach
Mitch Layne, IT Leader
Paul Dzera, Treasurer
David Cortese, Corresponding Secretary

GENERAL MEMBERSHIP
SCHEDULE OF MEETINGS:
May 25
July 27

Staring at 9:30 a.m., at our Newark headquarters

All members are strongly encouraged to attend.

If you are unable to attend a meeting, please arrange to participate via a phone conference.

Topics to be announced

QUOTES WORTH QUOTING

I think it’s very important to have a feedback loop, where you’re constantly thinking about what you’ve done and how you think you could be doing it better.

Elon Musk

The future belongs to people who see possibilities before they become obvious.

Terri Lonier
Most owners of small businesses have a hard enough time dealing with their day-to-day affairs. The three main objectives of small-business owners are to drive revenue, contain expenses, and protect profit. With all that, many of these entrepreneurs will find the prospect of dealing with HR issues daunting. In addition, navigating the complexities of federal, state, and local regulations can be overwhelming. Yet, small-business owners must be prepared. Even a seemingly small error can be extremely expensive, with the potential of crippling the business financially. During the January 17 general membership meeting, Patricia Kiernan and Kahlil Cunningham, both of Paychex, a SCORE partner, informed counselors how their company can assist small-business owners in avoiding these pitfalls.

**Paychex Was Once a Small Business**

Paychex itself started out as a small business when, in 1971, B. Thomas Golisano had $3,000 and a good idea. His company would grow into a recognized leader; more than 12,000 employees are at hand to provide payroll, human resources, and benefits services, along with valuable support with regulatory compliance. While its main competitor serves large corporations, Paychex focuses on the niche of small businesses, boasting 1 million such enterprises nationwide. About 92 percent of Paychex’s clients are businesses of 25 or fewer employees, which is 85 percent of all business in America, according to Patricia.

**Finding Solutions**

Finding Solutions is important thought often overlooked safety regulations. The first step in being prepared is for a business to prepare a company handbook. “Every business must have one to address federal and state laws, and local ordinances,” stresses Patricia. The handbook serves as documentation that the company is in compliance in all cases, something auditors look for. The handbook sets the parameters for both the business owner and his or her employees within the regulations. For example, laws require employees be given time off, but an employer can state that they cannot be granted time on Mondays, as that is the busiest time, or it can grant a provision that enables workers to take time off for religious observances and make up the time elsewhere. On a local scale, the City of Newark (along with some other large municipalities) has a paid time off law (PTO), requiring one hour of PTO for every 30 hours worked.

Another HR labor law concern is that the identity of every employee must be verified and he or she must be eligible to accept employment in the United States. An Employment Eligibility Verification Form I-9 must be kept on file for each employee. The fine for missing or incomplete documentation is $1,000 for each employee.

A further area that should be of concern to any business owner is unemployment. The relationship between a businesses an employee can be severed in one of three ways: The employee leaves on his or own volition, the employee is fired, or the employee is laid off because the business is facing hard times. Any former employee can file for state unemployment insurance, but usually only one who has been laid off or fired without any documented wrongdoing will be approved. The state unemployment officer will contact the business for verification; it is critical that a business respond to an unemployment claim within 3 or 5 days. Those that do not face rate hikes for their unemployment insurance. Paychex ensures that small-business owners are prepared.

Paychex professionals customize the handbook to each business, and every handbook is reviewed by the legal team. The initial cost to a business with two employees is $1,500 up front and $65/month ($175/month for five employees) for ongoing service and updates, a cost of $2,280 for the first year. The fee includes safety training and legal reviews twice a year. During this time, Paychex staff are on hand to answer any HR-related questions regarding regulations. About 40 percent of Paychex clients are start-ups. For these, says Kahlil, Paychex is very flexible. “We have the ability to work with the client and offer discounts,” he says.
Paychex: Helping Small-Business Owners Understand the Importance of Health and Safety

For a small-business owner, being prepared by knowing US Department of Labor Occupational Safety and Health Administration (OSHA) regulations not only protects businesses from costly penalties of noncompliance, doing so also holds down workers’ comp costs, enhances productivity, and reduces employee turnover.

The Paychex safety program team performs a detailed on-site analysis and outlines what the business owner needs to do to comply with federal and state health and safety regulations, offering a customized program. By being able to identify hazards, managers and employees are prepared to avoid injuries. Business owners who purchase this service receive a written safety program manual. They also have access to and live or on-demand recorded safety training sessions geared to the needs of the business.

Of course, the OSHA Injury and Illness Prevention Program costs money. However, as the Paychex Web resource page makes clear, business owners should consider these costs an investment, as the lost productivity, administrative costs, property damage, and training expenses for replacement workers can far exceed the initial outlay, according to Laurel Ferguson, a safety and loss-control expert at Paychex. In other words, a small initial cost, such as a visit to an urgent care facility, will grow severalfold once lost time is factored in, especially if the business needs to close down to take care of the emergency.

Many OSHA rules apply to specific industries. However, there is a core set of regulations that apply to all businesses:

- Emergency evacuation plans.
- Fire safety
- Hazardous materials
- First-aid
- Record-keeping and posting.

Laurel advises anyone setting up a business to take proactive measures. OSHA has an outreach division, she says, “which goes out into small businesses and advises them on the regulations that those specific businesses have to meet.” The OSHA inspector will advise the business owner of potential violations that must be fixed but will not issue a fine or citation at that point.

Safety Compliance

The next most important area of compliance for any business is workplace health and safety. The US Department of Labor Occupational Safety and Health Administration (OSHA) audits every business large and small to ensure it complies with all regulations. The agency, which has staff in every state, has recently increased enforcement and fines for infractions.

OSHA mandates that businesses should have:

- A safe workplace.
- waste hazards.
- OSHA inspection and training on regulations, including all hazardous substances in your workplace.
- A request for OSHA inspection of your workplace. Even if there are no audits or unsafe conditions, OSHA will keep your name on file and may issue a citation if you later fail to provide documentation.
- A representative contact.
- OSHA inspection and training on regulations.
- A request for OSHA inspection and training on regulations.
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Providing a written safety program manual. They also have access to and live or on-demand recorded safety training sessions geared to the needs of the business.

Several levels of service are offered. Small matters can be handled over the telephone. Specialists in each area at the Rochester, NY, head office are on hand to answer general questions. Paychex also offers on-site assistance by an HR and OSHA expert. The handbook serves as the documentation for all these concerns. “All these things are avoidable if they are in your handbook,” says Patricia.

OSHA has created a poster to inform business owners of their obligations and workers of their rights. Compliance with federal, state and local workplace health and safety regulations is serious business; the penalties for violations are significant. Paychex offers services to assist entrepreneurs in this area, so they can spend more time and energy on their bottom line.
Cyberspace: The Final Frontier  
Our Intern’s Efforts to Make Our Presence Known on the Web

Sometimes, volunteers need volunteers. Barry Marks, Marketing Chair, is developing a marketing and outreach plan for Chapter 15 to gain clients through enhanced publicity. A major component of this effort is to “enhance and expand our use of technology, increasing our online presence through the chapter website and social media,” says Barry.

“A key component in accomplishing this effort was the use of an intern, Jazmine Robles, from Seton Hall University. She is extremely knowledgeable and savvy in the use of the Web and social media,” says Barry.

Jazmine set out to expand Chapter 15’s presence on a WordPress blog. The WordPress blog would also feature profiles of the Chapter 15 mentors, informing prospective clients of the considerable expertise present and allowing them to seek and select a mentor with a specific background or area of proficiency. Barry emphasizes that SCORE, Chapter 15, mentors represent some 90 industries and areas of expertise, such as marketing, financial planning, import and export, HR, and mergers and acquisitions. “We need to get the message out of who we are and what we do,” adds Barry.

A section of testimonials will include three components:

- The client’s issue
- What the mentor did to assist the client
- The final outcome.

Jazmine is making a template so new profiles can be added. In addition, she has created accounts on Facebook and Twitter, “to give us a greater social media presence,” she says. Among her priorities is to seek funding to take advantage of promotional services Facebook offers to increase viewer exposure. “It would make a huge difference,” says Jazmine.

All along, behind the scenes, John Tully has been adding functionality to the Web site, in anticipation for its launch.

Although Chapter 15 has an excellent, central location, an additional idea under consideration is to offer counseling remotely through Skype. “Millennials like to do things online rather than come in person,” says Jazmine. She has learned a great deal on the job; in return, Jazmine has contributed her valuable expertise, insight, and perspectives to SCORE, Chapter 15. Barry is optimistic. “We have made good progress, which would not have been possible without Jazmine agreeing to participate as an intern,” says Barry.

Jazmine Robles, a student at Seton Hall University, provided our chapter with invaluable insight and assistance with our marketing objective of using the Internet (both Web site and social media) to promote our services. More than an academic exercise, Jazmine’s campaign had to achieve its measurable marketing objectives. Here she confers with Barry Marks, Marketing Chair.

National Small Business Week  
Every year since 1963, the President has issued a proclamation for National Small Business Week, to recognize the important role entrepreneurs and owners of businesses play in the U.S. The SBA uses this opportunity to recognize the contributions of specific individuals and companies in each state.

“National Small Business Week is a chance to honor our nation’s 28 million small businesses and renew our commitment to fostering the entrepreneurial spirit that is central to the American experience,” says SBA Administrator Maria Contreras-Sweet, the head of the U.S. Small Business Administration, in a statement. In fact, SCORE has been honored for the important part its many volunteers have played and continue to play in helping so many people become small-business owners.
SCORE, Chapter 15, Library Seminars

<table>
<thead>
<tr>
<th>Date and Time</th>
<th>Course and Presenter</th>
<th>Course Location</th>
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<tbody>
<tr>
<td>April 16, 2016</td>
<td>BEST Seminar: So You Want to Be an Entrepreneur</td>
<td>Essex County College, West 730 Bloomfield Ave.</td>
</tr>
<tr>
<td>9:00 a.m.–12:30 p.m.</td>
<td>Rick Greenebaum, Mitch Layne, and Courtney Jackson</td>
<td>West Caldwell, NJ 07006</td>
</tr>
<tr>
<td>May 5, 2016</td>
<td>Internet Marketing and Social Media</td>
<td>Elizabeth Public Library 11 South Broad St.</td>
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<tr>
<td>Thursday 6:30 p.m.</td>
<td>John Tully</td>
<td>Elizabeth, NJ 07076</td>
</tr>
<tr>
<td>May 9, 2016</td>
<td>Marketing Your Business: Low-Cost &amp; No-Cost Strategies Available to All Businesses</td>
<td>Scotch Plains Public Library 1827 Barle Ave.</td>
</tr>
<tr>
<td>Monday 7:00–9:00 p.m.</td>
<td>John Tully</td>
<td>Scotch Plains, NJ 07076</td>
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<tr>
<td>May 10, 2016</td>
<td>Introduction to Government Contracting</td>
<td>Hoboken Public Library 500 Park Ave.</td>
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<tr>
<td>Tuesday 6:00–8:00 p.m.</td>
<td>Sue Melamud</td>
<td>Hoboken, NJ 07030</td>
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<tr>
<td>May 16, 2016</td>
<td>Starting and Managing a Successful Business</td>
<td>Vauxhall Public Library 123 Hilton Ave.</td>
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<tr>
<td>Monday 6:00–8:00 p.m.</td>
<td>Katherine Cauley</td>
<td>Vauxhall, NJ 07088</td>
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<tr>
<td>June 7, 2016</td>
<td>Marketing Your Business: Low-Cost &amp; No-Cost Strategies Available to All Businesses</td>
<td>Hoboken Public Library 500 Park Ave.</td>
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<tr>
<td>Tuesday 7:00–9:00 p.m.</td>
<td>John Tully</td>
<td>Hoboken, NJ 07030</td>
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<tr>
<td>June 9, 2016</td>
<td>Internet Marketing and Social Media</td>
<td>Plainfield Public Library 800 Park Ave.</td>
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<tr>
<td>Thursday 6:00–8:00 p.m.</td>
<td>John Tully</td>
<td>Plainfield, NJ 07060</td>
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<td>June 23, 2016</td>
<td>Women in Their Own Business</td>
<td>Elizabeth Public Library 11 South Broad St.</td>
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<tr>
<td>Thursday 6:30–8:30 p.m.</td>
<td>Laura Tilden</td>
<td>Elizabeth, NJ 07020</td>
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<tr>
<td>August 9, 2016</td>
<td>Marketing Your Business: Low-Cost &amp; No-Cost Strategies Available to All Businesses</td>
<td>Hoboken Public Library 500 Park Ave.</td>
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<tr>
<td>Tuesday 6:00–8:00 p.m.</td>
<td>John Tully</td>
<td>Hoboken, NJ 07030</td>
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Full information on the library seminars is disseminated on the SCORE, Chapter 15, Web site, which is continuously updated. In addition, information on each seminar is disseminated via ConstantContact e-mail Blasts.

So You Want to Be an Entrepreneur?

BEST Program in Full Swing for 2016

“...So long as I get somewhere.”

Continued Alice, “...So long as I get somewhere.”

“Do not be like Alice,” said Rick Greenebaum, “Set goals and know where you want to go!”

With this message, Rick opened the first BEST program continues, thanks to Paul Dzera, who created posters, and Ada Torres and Carmen Narvaez, Essex County College, who distributed them at area libraries, grocery stores, and other prominent locations. “I’m very happy with the great teamwork your group has had with our department,” said Ada. “I highly appreciate it!”

Attending the three-part seminar were 14 people, many of them business majors at Essex County College, along with a very good representation of interested people in the local community. Among the reasons people attended were a desire to work on one’s own and to learn about what it takes to be entrepreneur. Ideas for start-ups included an ethnic restaurant, a footwear design firm, a bakery, and a nonprofit agency to assist students who are homeless. One attendee, who had already been to several Chapter 15 library seminars, worked for several small-business owners. He saw the mistakes the well-intentioned owners made, leading to the failure of these enterprises. He did not want to commit the same errors.

Throughout the seminar, the presenters mentioned both the Chapter 15 and SCORE Web sites, as well as the services we offer, including the new Spanish-language message center. This diverse group would learn what it takes to be a successful entrepreneur, the fundamentals of marketing, and financial planning and execution.
Being a Successful Entrepreneur

Defining an entrepreneur as “one who organizes, manages, and assumes the risks of a business enterprise,” Rick went on to discuss the beliefs and truths about owning a business, including the following:

- Entrepreneurs work harder and longer hours than they ever have but are rewarded with the pride of what they have accomplished.
- Small-business owners have the freedom to set pricing, but it is the market that ultimately determines whether a sale will be made.
- Though it is true that a small-business owner does not report to a boss, in reality, he or she has many bosses, clients and customers, who must be kept satisfied.
- Although having a few good customers is important for any small business, relying on them could put the small-business owner in a position of vulnerability that could undermine the venture.
- A benefit of owning a small business is not having to attend annoying meetings. However, the small-business owner will find him- or herself faced with many other distractions and challenged with the discipline of establishing structure in the work day, something that could be more onerous than the boredom from attending a meeting.
- Business owners have the benefit of doing the work they love, but they will find themselves having to do many other tasks, some of which may not be of interest.
- While an entrepreneur may not have to deal with petty office politics, he or she will need solid interpersonal skills to deal with the demands of one’s employees, not to mention those of customers, suppliers, and subcontractors.

Are you suited to be an entrepreneur? So, the question arises: “Are you suited to be an entrepreneur?” To help the attendees answer this question, Rick distributed the “Working Solo Self-Quiz” (please see side bar on page 14). He explained that Types A and B personalities were the best suited to run a business. Type A personalities are highly driven individuals with strong interpersonal skills. Type B individuals are highly organized and methodical.

The following are characteristics of Type A and Type B personalities:

Type A
- Frequently driven by deadlines.
- Have a need to produce results.
- Work hard to meet goals.

Type B
- Relaxing and patient.
- unhurried and methodical.
- Work hard to meet goals.

Do you have the resources to be an entrepreneur? Rick emphasized the need to determine whether adequate personal and financial resources are available before starting. Financial resources entail sufficient savings to invest. What about bank loans? Banks are the last source of funds! Personal resources include support from one’s spouse and other family members. Access to technical and professional advice is also critical.

What are the next steps? Next, as part of business planning, one must identify goals that will produce the result sought. These goals must be quantifiable, with a clear indication that they have been met. That means SMART goals, ones that are:

- Specific
- Measurable
- Attainable
- Relevant
- Trackable.

Achieving these goals involves networking, which produces referrals that are based on trust, much more productive than making cold calls. Each goal requires an action plan with specific steps. It is necessary to assemble a team of experts, including an accountant, a financial planner, an attorney, an insurance representative… and SCORE counselors. In the end, it is necessary to compare the expected results with actual outcomes. Are alternative action steps necessary? The business plan should include marketing plans and financial forecasts, the focus of the two sections of the BEST seminar to follow.

(Continued on page 15)
Working Solo Self-Quiz

Gauge whether you have the right stuff to run your own business. Answer “yes” (if you agree) or “no” (if you disagree) with each of the following statements:

1. I’m a self-starter. Nobody has to tell me to get things going.
2. I enjoy competition and do not get intimidated easily.
3. I can make decisions if I have plenty of time. If I have to make up my mind quickly, I often think later and regret what I have decided.
4. I have willpower and self-discipline.
5. I feel comfortable knowing that I don’t have all the answers and feel comfortable taking advice from others.
6. I get things done on time.
7. I’ll take over if I have to, but I’d rather have someone else be responsible.
8. I am adaptable to changing conditions.
9. I can give three clear reasons why I want to go into business myself.
10. I am good at planning ahead.
11. Once I create a plan, I consider it finalized. I follow it to the letter, no matter what else may come up.
12. I understand that working solo may entail working 12 to 16 hours a day, six days a week. I am willing to devote the energy needed to make my business a success.
13. I have seriously reviewed the financial needs of my solo business. I have enough money set aside, even if my business does not make any income for three to four months.
14. I have a good understanding of my strengths and weaknesses.
15. I feel comfortable asking others for help.
16. I have carefully reviewed whether I could make more money working for someone else.
17. I know I could hire experts to help me, but I’d rather do it myself, since I trust my own judgment more.
18. My family and/or loved ones go along with my plan to start a one-person business.
19. I have carefully reviewed whether I could make more money working for someone else.
20. I am in good physical health.
21. Once I make up my mind to do something, I am committed to finishing it.
22. I know other self-employed individuals and have seen how their businesses work.
23. I am willing to devote the time, energy, and money to my new business, even though I understand that many new businesses do not succeed.
24. I have a clear understanding of what success means to me, and I know that money is only one of the measuring factors.

Grasping the triumvirate of expertise. The entrepreneur must be an expert in all the following three areas with the acid test that you hopefully have forgotten more than anyone else will have ever have learned about each of the following:

- Knowing one’s own products and/or services
- Knowing the products and/or services of one’s competitors (all of them)
- Knowing your customers/prospects.

Having conducted the appropriate marketing research (another necessary and important activity and an essential part of any sales and marketing section of the business plan), the business owner should know well in advance and before spending any real money (only time), that customers really do exist and to know what the customer’s needs and wants truly are, and how to also successfully sell to those needs and wants. Furthermore, said Mitch, as the expert sales person you must become as the owner of the business should help you become an invaluable, fundamental and mission critical owner of the business should help you become the one they want to deal with as they choose to buy from you and rely on you for their own success!

The customer is always right… even when he’s or she’s wrong. In the end, said Mitch, “Once you have the customers, you then have to work to satisfy them. You need to keep that customer, so they keep coming back.” Continued Mitch, “And if you do it right, even when they don’t come back, you know to go ask them the hard question in that moment which is, ’Why not?’ because therein lies the ultimate answer to how to successfully modify, change, or evolve and essentially improve your own business or, perhaps worst case, to make the hard but appropriate decision that no one really wants to watch your TV channel anymore…. So, maybe it’s best to rethink how to run the business or if it makes business sense, how to change it to keep up with the times or, if it makes business sense, to decide to not even remain in that business anymore and close shop to cut your losses.”

Financial Planning and Execution

Statistics such as nine of ten start-ups failing within the first 18 months and only a little over half new businesses still in existence are scary but should not scare one from following one’s dream of starting a new business, said Courtney Jackson in opening this, the third section of the seminar. Courtney stressed that proper financial planning is the best way to ensure success and not becoming one of these statistics in the third presentation of the BEST seminar. Financial planning establishes the foundation for developing sales, marketing, and business management.

The first consideration in developing the financial plan is knowing the start-up costs (e.g., equipment, leases, marketing, licensing, professional fees, an initial inventory, insurance, and a reserve for contingencies). Then, there is the follow-up:

- What are the sales forecasts?
- What fixed expenses will there be?
- Is there sufficient cash to sustain and eventually grow the business?

Finally, is a team of financial and legal experts in place? A business plan, especially the financial plan component, is a necessity in seeking financing.

Courtney then reviewed the key financial statements, providing examples of each:

- Income statement (profit-and-loss)
- Balance sheet
- Cash flow.

These statements involved key financial analyses:

- Break-even analysis
- Key financial ratios.

Through the whole process, the business owner must monitor the financial status and health of the venture, noting actual versus planned operating and financial results, including gross profits and operating expenses. In addition, said Courtney, it is prudent to prepare and maintain a cash forecast for at least six months into the future, to ensure the success of the business into the future.
The Teamwork Behind the Scenes of “So You Want to Be an Entrepreneur”

Behind the scenes of the BEST seminar, “So You Want to Be an Entrepreneur,” was a great deal of teamwork that made it possible.

Thanks are due to Paul Dzera, Barry Marks, and Peter Fleischmann, along with Ada Torres and Carmen Narvaez of Essex County College. The ECC and SCORE promotional materials are a reflection of the teamwork went into this successful event.

We are pleased to offer this, the tenth edition of **15SUES**.

We welcome your suggestions and contributions you deem important. The major objective is to make **15SUES** our newsletter.