Increasing Your Small Business’ Success

Whether you’re just starting your new business, or have been up and running for a while, protecting the business you worked so hard to build is a critical step. Unfortunately, it's one that many entrepreneurs neglect in the rush of launching a startup and operating day-to-day. This topic is “top of mind” for many CEOs that I talk to. Last week I referred a group to go to “SCORE.org” to check out the many tools, templates, and articles that are offered “free” to small businesses.

For example, one of my favorite business authors (I have quoted her several times in past columns) is Rieva Lesonsky who is CEO of GrowBiz Media, a content and consulting company specializing in covering small businesses and entrepreneurship. She recently wrote a piece for SCORE on the topic of protecting your small business. I thought she did a good job of capturing some key points. I will share some of them with you in this column.

1. Choose the right form of business. Operating as a sole proprietorship — the default business structure for a one-person business — may be easy, but it's not necessarily the best choice to protect your business. For one thing, the sole proprietorship structure doesn’t protect your personal assets. That means if a customer decides to sue you or a vendor demands payment that your business can’t afford, your savings, home and other assets could be fair game.

2. Hire an attorney. You may not need to use a lawyer that often, but when you need one, you need one fast. Ask other entrepreneurs, business colleagues and friends for recommendations to attorneys who are familiar with small business issues. Take the time to compare attorneys by scheduling an interview with each before you hire them. Discuss payment options — most attorneys have affordable solutions for even the smallest business.

3. Find an accountant. Even if you plan on doing the bookkeeping yourself, a good accountant is worth the price. Who has time to keep up to date on tax law changes? You sure don’t—but accountants do. Not only can they save you money on your taxes, they can also provide valuable advice on how to structure your business, the best way to finance expansion, and how much to pay yourself. At my company, we consult our accountant before making any big decision.
4. **Be smart about new customers.** Before taking on a new B2B customer, always conduct a credit check. This helps protect you against unpaid invoices. Never do business without a contract — no matter how confident you are in the customer's word. If something goes wrong, a written contract may be the only thing that ensures you get paid for your hard work.

5. **Buy business insurance.** Most businesses need general liability insurance, and if you provide advice or professional services to customers, you may also need professional liability insurance, also known as E&O (errors and omissions) coverage. Depending on which state you operate in, you may be required to have workers’ compensation insurance. Other insurance products to consider include key man insurance on your life and the life of other key employees, business interruption insurance (which protects your income if your business has to shut down due to a disaster) and cyber insurance.

6. **Protect your employees.** Disaster can strike any time, so it's important to have a disaster plan for what you will do in case of emergency to protect your business. Create a plan and assign responsibilities for how to get employees and customers out of the building safely, what to do if a disaster keeps you and employees from getting to your business, and how you will keep running even if you can't get to your physical location. Learn more about creating an emergency disaster plan.

7. **Protect your business data.** Back up your company data and documents with a cloud storage and sharing solution so you can access files anywhere. When your information is stored in the cloud, you don't have to worry about a crashed hard drive or fire on your premises wiping out precious data. To protect your business from cyber-crime and hackers, install appropriate firewalls and, more importantly, train your employees in cyber security measures, such as creating strong passwords.

Your SCORE mentor can help you determine additional ways to protect your business. Visit [www.score.org](http://www.score.org) to get matched with a mentor today.

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