



Winter 2004

Business as Usual

Vol 3, Issue 1



Voice concerns via ODOD website

Governor Bob Taft announced in November that Ohio businesses now have an on-line resource for resolving issues with state government agencies. The Small Business Ombudsman on-line inquiry form is now available through the Ohio Department of Development's featured links page (www.odod.state.oh.us).

"Small businesses make up 98 percent of Ohio businesses," said Taft. "Our goal is to make sure those businesses have the resources they need to be successful."

The Small Business Ombudsman Program was created by Governor Taft in October. Recommended by the Small Business Advisory Council, its

function is to act as a guide and advocate for small business owners as they interact with state government agencies.

The on-line inquiry form can be used by businesses that have been unable to resolve an issue directly with a state agency. The Small Business Ombudsman will review the on-line submission and investi-

gate the matter.

The ombudsman will then act as a liaison between the business and the agency in an attempt to come to an agreeable solution.

All inquiries will be kept confidential if requested by the business owner. To request a paper copy or other assistance, call 1.800.248.4040 during regular business hours.

Web-based newsletter

After much time and energy, the Business Development Department has made the quarterly newsletter available on the internet.

The newsletter will be sent as an Adobe PDF file.

If you are interested in getting your copy of the newsletter in your in-box, let Kate know at ktimmons@pikecac.org or 1.866.820.1185 or 740.289.2371, ext. 194.

If there is a topic you'd like to see addressed in the newsletter, you have a success you'd like to share with other small business owners or if you have a question you'd like to see answered in an upcoming newsletter, just let us know.



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Quotes of the Issue

"Good plans shape good decisions. That's why good planning helps to make elusive dreams come true."

Lester R. Bittel

"The key to successful leadership today is influence, not authority."

Kenneth Hartley Blanchard

Set for attention-web site blunders to avoid

You've planned your business. You've nurtured it through the start-up phase. You've worked hard to establish a solid client base.

And now you're ready for a website. Congratulations for getting this far, but there are a few things to keep in mind before you establish your web presence.

Plan your site

Many sites go up unplanned. And it tends to show. This is the

time to sit down with a pen and a piece of paper and outline the purpose of the website. From there, map out the page flow, starting with the "Home" page.

Include contact info

Contact information is essential to have on a website. To make it easy, have a "Contact Us" page with your business address, phone number, fax number and e-mail address.

People may not use the information provided, but just having it can be a comfort to many site viewers.

Links and information

Broken links and outdated information can drive traffic away from your site. Check your site monthly or, at the very least, quarterly, to make sure links still work and the information is still useful.

Fonts and Colors

To keep your pages looking consistent, stick with 2, no more than 3, fonts and colors per page. This will keep your site looking clean and crisp.

Never use a dark background with light text, as it doesn't print



well. Or if you do decide to go with a dark background and light text, make a printer-friendly version of it as well.

Websites are fun to build, but it's very easy to get carried away with colors, graphics and forget important information. Follow these tips to a great website.

Name recognition on a shoestring

Making a name for your business can be hard. Especially if you're competing for the same customers as a competing business that has been around for years.

But by being a small business owner, you don't have the money to put towards marketing and advertising to help build name recognition.

Or do you?

Building name recognition is a daunting process, but it may not be as expensive as one might think. Here are some ways to build up your name on a shoestring.

The plan

Develop a marketing plan, complete with

goals, how you're going to achieve those goals, budgets and timelines.

Often times, results from marketing aren't immediate. Knowing that, you should plan for results to occur anywhere from the next quarter to the next year. But be patient, results will come.

By planning ahead, you will be able to stay focused on what mediums are going to be most effective and what outlets will be a waste of money.

Devil's advocate

You need to be your hardest sell while devel-



oping your plan. Ask yourself the hard questions like "Does this hit my target?", or

"What will this do for my business?" If you can't answer these questions to your own satisfaction, then it may not be the best way to market the business.

Marketing Miles

If you can devise one plan that can be used in five different ways, you've hit a gold mine.

If you are asked to make a donation to a charity, offer to host the event at your location and donate part of the night's proceeds to the

charity. Everyone wins. The charity gets funds, the business gets the notoriety from the event and new customers.

Partner up

Expand your efforts by partnering with other businesses that complement yours. A photographer could partner with a framer. Each could pass business back and forth.

The secret here is being creative. Plug your business offerings in invoice mailings, hang news clippings on the walls or send them to your clients and potential clients. Pass out a product sampling at events.

Do anything it takes to get your name in front of people.

Budget mistakes that cause fiscal nightmares

Entrepreneurs wake up every morning with a laundry list of things on their minds. Hopefully, the budget is one of those things.

Budgets aren't fun and can cause headaches. But without a budget, you can have financial nightmares for years to come.

If business owners learned only one thing from Enron, they should have learned not to overstate projections. Sure it looks good to investors (or bankers), but are the projections

so outrageous that even your best years can't come close? If that's the case, it's time for a reality check.

Being realistic may make it harder to get funding, but when it does come, it will come honestly.

The second lesson comes from the dotcom businesses. Many of the dotcoms failed to ask for the full amount that they needed, burned through it without making a profit then gave up.

Bankers and other investors are smart.

They know that it's better to spend \$50,000 in an intelligent manner than be flippant about \$30,000.

For the third lesson, you may only have to go as far as your own financial records. Just because money is coming it does not mean that the business is in the black. Many business owners spend money before it comes in. This where major cash-flow problems can start.

Don't forget about taxes. Your balances

could look larger than they really are if you fail to consider sales tax and employee withholdings.

Advertising timelines can throw off a budget very easily. Just remember, you need to initiate an advertising campaign one quarter before the sales can be expected.

You have a solid business or business idea. Don't set yourself up for disaster by miscalculating any aspect of your budget or projections. As with every other aspect of your business, you plan the budget and projections and be realistic about the plans and projections, you can't go wrong.

Get Paid-collecting on a/r

At one time or another, every business runs into a customer who either pays slowly or not at all.

So, how do you go about getting your accounts receivable in the black? Start at the beginning.

Before you do business with just any business, make sure your customer agreement is clear and concise on the following points:

- When the payment is due
 - How the payment is to be made
 - What will happen if the payment is late
 - The interest penalty.
- Once you've reviewed

your agreement and you've begun to do business with the customer, you may find that there are some businesses manage to find ways around the contract.

If you are still providing goods and services to a slow-paying/non-paying business, it's time to stop all work. You can't let a customer accrue more debt if you can give your attention to other customers who are prepared to pay for you to provide goods or services.

There are those clients for whom you have no leverage. For this kind of non-payer, you need to become the "squeaky wheel" or the thorn in their side. Make yourself an annoyance and you'll get paid.

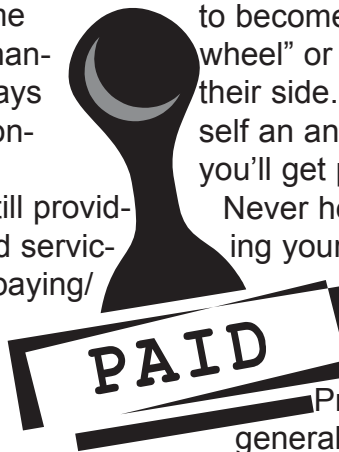
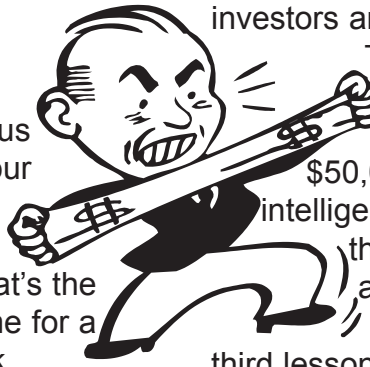
Never hesitate in calling your debtor frequently. The Fair Debt Collection Practices has general guidelines for collectors to follow. Many of the guidelines are directed towards collections agencies who are collecting consumer debts. But they are good guidelines to follow when

collecting on a debt.

You can file a disparaging report to the major credit bureaus as long as it is 100 percent accurate.

When all else fails, threaten to sue and be prepared to go through with it. Hire an attorney, in the same state as the debtor if they live elsewhere.

Completely avoiding bad debt is nearly impossible to do. But armed with these tactics, you may find that the bothersome clients aren't such a bother.



Funding from investors

From time to time, businesses may need extra money to complete a project, to expand their business or for any number of reasons.

Instead of thinking that the local bank is the only way to get the financing you need, think about finding an investor.

But, what should you look for in an investor?

First you must realize that not all investors will want to put money in your business. Different investors will invest for different reasons.

If you have found a

potential investor, listen to the types of questions they ask about the business. If a potential investor is compulsively concerned with the day-to-day operations of your business, they will probably work to get into a managerial position in your company.

That can be good if you need that position filled, but overbearing if you don't.

You can go to the inter-

net resources to do further background checks on a potential investor. You can go to sites like USSEARCH.com or LocatePLUS.com to see

if the investor to be has any criminal records, bankruptcies, civil judgements or any other skeletons they may be trying to keep hidden.

Possibly the biggest

oversight in taking on an investor lies in the expectations.

Even if a contract is well prepared and things are covered very well, issues of involvement are often grey areas that can cause problems for both the investor and business owner.

Bear in mind that having an investor is like having a marriage partner. The decision is filled with emotions and there are long-term consequences should the arrangement not work out.



Get a 20% discount on BWC prems

According to the Ohio Report #224, Ohio private and public employers will get a one-time 20% discount on their workers' comp premiums, producing a savings of \$240 million. Better than expected investment returns allowed for the reduction that was approved in November by the BWC Oversight Commission.

Governor Taft welcomed the discount and said, "Ohio's small- and medium-sized businesses, particularly those in manufacturing, can use this dividend to reinvest in their business, create jobs and continue to grow Ohio's economy." With the one-time discount, Ohio's public employers could use the

credit to help preserve their existing services.

The 20 percent dividend means a savings of \$60 million to about 3,800 public employers in fiscal year 2004. The discount is worth more than \$18 million in savings for nearly 240,000 private employers in the first half of the fiscal year 2004. The possibility of another credit for private employers for the

July billing cycle will be made next June.

According to the BWC, investment returns of 8.42 percent were recorded through the third quarter of 2003, generating what the BWC Administrator James Conrad reported as a sizeable surplus of about \$400 million. He also noted that the BWC fund investment strategy has outperformed 93

percent of the public funds nationwide over the past eight years.

In other business, the commission approved a BWC recommendation to raise public employer premiums an average of 2 percent, the lowest increase in four years, effective in January 2005. Last year's increase was more than 12 percent that will be reflected in bills payable in January 2004. Conrad attributed the slowing of public employer rate increases to efforts to reduce injuries and provide safer working conditions.



From the Thursday, November 20, 2003 edition of the Ohio Report, published by Gongwer News Service, Inc.

3 marketing no-no's

Marketing can make or break any business. Knowing that, how can you make marketing work for your business? Here are three things to avoid when developing next year's marketing plan.

Be selective

This can be hard, but by whittling away at your current advertising you will be able to focus on a more select audience.

Being selective means that you will have the capabilities to run larger ads more frequently. More frequent ads translates to more exposure for your business.

Traditionally large color

ads were the way to go. Now, large black and white ads with some spot color are attracting more attention.

Use this advice when choosing events that the business will have a presence. Select two or three events to attend and have a good display in place.

Hang on to the rules

It's a common belief that rules are meant to be broken, or that there's an exception to every rule. Granted, out-of-the-box ideas can

spark positive results. For newer businesses or ones that are facing hard times, you're better off sticking with the tactics you know will work.

When putting together a marketing piece, stick to a 250 word max and come up with a catchy headline. If the headline is longer than 7 words, cut it back to 5-7 words.

This last one can be challenging, but it can be done and your message can still be clear and concise.

Let the guerrillas out!

Guerrilla, not gorilla. Originally, the term "guerrilla" was used to identify a form of irregular warfare.

Now, the same concept of guerrilla warfare has found its place in the business world.

Guerrilla marketing takes the emphasis away from a business investing money to a business investing time, energy, imagination and creativity as a means of promotion. Profits are the benchmark of success, not sales as in traditional marketing.

Guerrilla's also work in much shorter time frames and crave tough economic times.

Guerrillas attack when the competition retreats and leave under-served pockets behind.

Instead of spending money getting new customers, those who practice guerrilla marketing tactics work on solidifying relationships with existing customers. The major key is to get the current customers to make larger purchases.

To become a guerrilla marketer, you need to make a new best friend with the telephone. The telephone and a list of

your customer's phone numbers is all you need to be on the path to becoming a guerrilla.

Call your customers and let them know if you're having a special on a particular item or if you have added new products or services to the business.

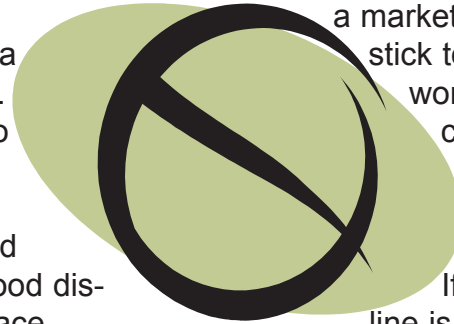
When you are marketing during tough economic times, let the customers know that you know times are tough and money is tight. Let them know that your business has made special considerations in

Change your focus

It's easy to be involved with what's going on in your business. But at the risk of losing sight of everything else around you can cause trouble.

As an entrepreneur, you need to be aware of what's going on in your industry, watching trends and making changes to your business as the market warrants them.

Get feedback from your current customers. They are the one's who are changing. Your business needs to change to meet their needs and wants.



light of this. But also do something to motivate those same customers to come and buy. Prove to them that it will be easier on their wallets to purchase now instead of later.

Last, but still very important, guerrillas are known by their ability to think differently. This tactic, though proven effective, can be very difficult to pull off for newer businesses. Guerrilla marketing does not break the rules mentioned in the article above, but it does require the business owner to be persistent and aggressive to keep customers coming back.



Community Action of Pike County
941 Market Street
Piketon, Ohio 45661

Microenterprise/Business Development Calendar

January 15-Business Development class

A 10 week course on how to start and manage your own small business. Topics to be covered: the business idea, marketing, choosing the right legal entity, financials and personnel management. RSVP Brian or Kate by January 2, 2003 at 740.289.2371 or 1.866.820.1185

January 27-Export Conference 2004-Mexico, 10:00 am - 3:00 pm

An intensive training on the culture and the way to do business in Mexico. During the training, participants will be introduced to export assistance programs, a commercial overview of Mexico, Mexican culture and business etiquette and the economic outlook for Mexico. RSVP Kate at 289.2371 or 1.866.820.1185. Pre-conference registration: \$20 (On or before January 25) Day of event: \$25

February-Using Information Technology in the back office

Watch your mail for a brochure on this exciting, new training for 2004!

February 17-Market Research CAC Large Conference Room 5:30-7:30

Finding your target audience can be difficult. Yet, by knowing who your business is aimed at can make all the difference in the world. During this seminar, you will learn easy ways to start gathering your own market research. RSVP Kate at 289.2371 or 1.866.820.1185 by February 13, 2004. Registration: \$20, to be paid by February 13.

March 11-Basic Accounting Principles

Whether you're in the start-up phase of your business, or have been up and running for years, a working knowledge of accounting is a must. This two-hour seminar will cover the basics of the accounting cycle, journalizing accounts and how to set up and use a basic ledger. Wanda Littleton has been an accounting instructor at the Pike County Career Technology Center for the past three years. As a former business owner, she brings real-life experience to the seminar. RSVP Kate at 289.2371 or 1.866.820.1185 by March 9, 2004. Registration: \$20, to be paid by March 9, 2004.