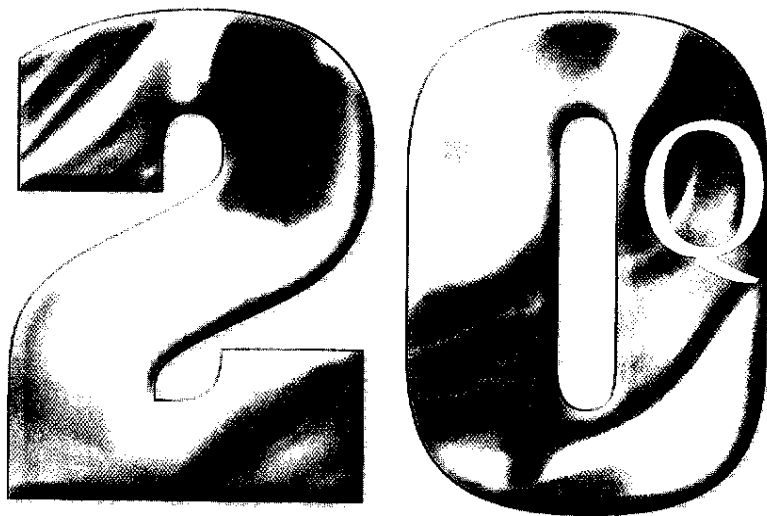


2008 SUCCESS *guide*



Quick Tips To Building a More Successful Business

From throwing out your financial statements to outsourcing your phone system, these smart business moves will not only save you money, but build you a better business for 2008 and beyond.

BY GENE MARKS

1. Increase my network bandwidth.

The first thing you need to do is get someone to check out your network. I mean test your cables, replace old routers and defective hubs, and check out the doodads and dingbats. For example, are you using Category 5 cables? Or, if you're wireless, is your router at 802.11g? Look, I don't know what the hell any of this means either, but some propeller-head told me it's the fastest. Technology has changed since your network was last installed. Things can run faster. Your people can be more productive. Getting things done quicker will save you money.

2. Set up remote access.

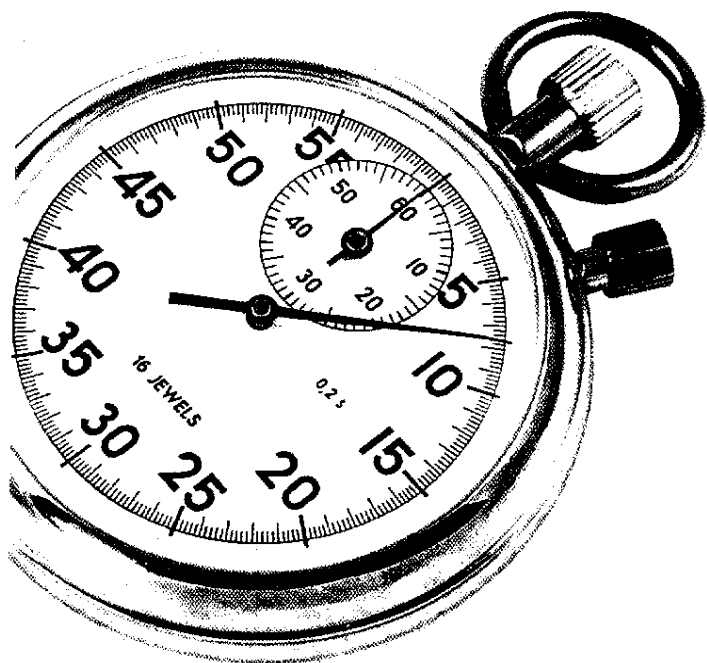
Set up remote access for your employees. You can lose opportunities and disappoint clients if some of your key employees can't get information they need when they're out of the office. Try out services like gotomypc.com and logmein.com, which will give you inexpensive Internet connections to your computers in the office from anywhere. You may even go so far as to set up Windows Terminal Server, which can handle a bunch of employees accessing their applications and files at the same time. This year, don't let geography get in the way of profits.

3. Create a few key reports.

This year, bite the bullet and admit that reports are not as easy as the software vendor promised. But there's information you need to run your business, and you're just not getting it, are you? OK, here's a test: What's your pipeline? What quotes are outstanding? What customer paid you the most this year? What customers are more than 10% behind last year's sales levels? Hire a consultant to create some of the reports you've always been asking for so you can start monitoring your business better.

4. Start e-mail marketing.

If you haven't yet started, start now. In 2008, you could sign up with Constant Contact (constantcontact.com). Use Constant Contact to create something professional. Then, upload a spreadsheet of people and blast it out. It'll cost less than \$100 per month. The people at Constant Contact will



make sure you're not spamming and will even help you review the e-mail to make sure it gets through the filters. Finally, make sure your content is compelling enough so that your readers look forward to receiving it. This is a great way to establish an inexpensive, mass communication channel.

5. Stay away from Vista for as long as possible.

If it ain't broke, don't fix it. You don't always have to upgrade your software to the latest and greatest. Stay away from Microsoft's Vista operating system for as long as possible. Your current software applications will continue to serve you and save you money and time by not upgrading.

6. Outsource my phone system.

You can save time and money by outsourcing your phone system. Virtualpbx (virtualpbx.com) and GotVMail (gotvmail.com). Both of these companies outsource phone systems. If your lease is coming due this year, now might be the time to switch.

7. Consider an intranet.

Is this the year to get an intranet? It'll cost about \$10,000 or less to get it all done.

If it ain't broke, don't fix it. You don't always have to upgrade your software to the latest and greatest.

Once it's set up (look into something like Microsoft's Sharepoint), you'll have a website created internally just for your employees, customers and vendors. It could display real-time information from your accounting and other systems, and everyone will have quick access to documents such as contracts, agreements and quotations. You can also have an updated list of contact information that everyone can access. Intranets are reducing duplication of data and e-mails and making people a lot more productive.

8. Create a few key alerts.

Configure your accounts receivable to give you an e-mail alert every time an invoice goes overdue. Configure your sales system to alert you when a quote isn't followed up. Get an alert every time an inventory item on hand falls below an acceptable level. Doing these

things will allow you to act on things faster and get issues resolved before they turn into more costly issues. Creating alerts is pretty simple in most systems nowadays. If you use a Microsoft SQL database, this functionality comes built in. Also check out a software program called Knowledge Sync (vineyardsoft.com). This will do alerts for you too.

9. Throw out your financial statements.

It makes an accountant happy that you're paying him to prepare a monthly income statement and balance sheet. But you are probably not getting all that much out of the process. In 2008, make some changes. Toss out your financials and instead have your office manager make you a daily flash report. It will just show you cash, receivables, payables, open jobs, open purchases,



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year-to-date and month-to-date revenues and a few other things. That's all you will need to keep a check on things. In addition, start reading your general ledger each month just to make sure nothing goofy is running through your books. As for your accountant? Well, he can either reduce his fees or spend the same amount of time figuring out how to save you some taxes.

10. Bring in main vendors for a show.

Bring your main vendors in to demonstrate their latest and greatest. Presentations and meetings with service providers educate you on services or features you may not have known about. Vendors may offer you deals to keep you in the fold. And, if you complain loudly enough, they may offer you a discount or two.

11. Make some hard decisions on health care.

Hillary, Obama, Giuliani, Roosevelt, Lincoln, Caesar... no leader is going to reduce your health care costs anytime soon. Therefore, in 2008, start making a few tough decisions to get these costs in line. Keep providing health care for your employees but make them pay for extra coverage for their families (or have them get the coverage from their spouses). Try to get a deal with a local health club so your employees can work out. You might even want to consider starting one of those Health Savings Accounts so employees can pay for their health costs with pre-tax money and you can lower your premiums.

12. Get a handle on shipping.

In 2008, start charging for shipping and handling. Create a complex formula for figuring out this cost, then probably settle on \$10 or \$15 like the infomercial guys do. Every time you ship something out, reimburse yourself for the cost it takes to get it out the door. Some of your clients may complain, and for them, you can negotiate. I bet most won't complain. Let's see: You do 100 invoices per month. You add a \$10 handling charge. That's a thousand bucks. And if you can bring in a few extra thousand — why not?

13. Be a party killer

In 2008, start showing your employees that you care about them. One way to do this is by canceling all parties. No summer picnic. No holiday banquet. They're a pain in the butt. And no one really wants to be

spending their free time with people that they spend eight hours a day with every day anyway. People want to be with their families. They want more money. They want more time off. You're spending all this money on parties and dinners and you could be spending it more effectively. So in 2008, instead of spending the money on parties, give the cash to your employees in the form of higher bonuses. You can also reward them with more days off (this really doesn't cost you a whole lot to do). All you have to do is keep things festive in the office. Remember, your employees work to live, not live to work.

14. Get a vendor audit

Are you paying too much money for your company's cell phone service? Are you overpaying the utility company too? If so, get an audit this year. If you do a search on Google, you will find hundreds of little companies that have popped up over the years that audit these kinds of services. In one instance, I asked a friend and he said he used a little two-man shop in upstate New York — he faxed them a few months of his company's cell phone bills. They reviewed and identified potential issues. Then they went back through three years of his bills and found errors in billing, wrong rates used, incorrect taxes applied and all kinds of other problems. They saved my friend a few thousand bucks and took 30% for their effort. They would've taken nothing if they had saved him nothing. Not a bad deal at all. This year, go on the offensive and get an audit.

15. Scrap my inventory

Do you have old equipment and inventory lying around and just taking up space? It costs money to store things. Sell it on eBay. Take it to a scrapyards. Even if you pay out money to have it hauled away you'll still save in the end. Maybe you can make better use of the space. Maybe there's more profitable inventory to store. Even a ping-pong table could be an extra employee benefit. In 2008 make the best use of your space instead of storing a bunch of junk.



16. Start job costing everything you do.

I know a retired accountant who went in to one of my clients a few months ago and created a really simple little job-costing worksheet. For every job that went out the door, one of the administrators in the office asked the production manager for the materials and labor used and then filled out Harry's worksheet. She then applied an overhead rate that Harry calculated and stuck it all on a daily spreadsheet. It's not a perfect calculation, but boy did it open some eyes. Some jobs weren't as profitable as people thought. In fact, some customers weren't as profitable as people thought either! A lot of soul-searching was done. Production changed. People yelled. Prices were raised. Some customers were shown the door. All from old Harry's worksheets. Don't know how to calculate overhead or figure out your job costs? Give your accountant a call. There's lots of Harrys out there who can help you.

17. Expand Your 401(k) Plan

The U.S. government passed the Pension Reform Act of 2006. Provisions in the law make it easier for small business owners to automatically enroll new and existing employees in their 401(k) plan. Sure, they can still drop out. But the onus will be on them. Since this thing was introduced, employee participation and contributions have skyrocketed. If you want to put as much away as possible and you need your employees to contribute more, in 2008, take action. Call your employee benefits broker. Tell him you want to change your plan to take advantage of this law.

18. Start calling for free

Are you paying too much for conference calls? If you are, sign up at freeconferencecall.com. This service actually

works. You can have as many conference calls as you want and you can host up to 100 people per call. Calls can go up to six hours. And you pay only for your own long-distance charges — everyone else pays for their own too. They've got other, more advanced services to sell, but you may not need them.

19. Try an SBDC

Speaking of free services, next year you may want to get involved with a Small Business Development Center (asbdc-us.org). My local one is affiliated with Wharton. I had a client, Alex, test them out last year. He was thinking of selling his product into the solar industry, a whole new market for him. The SBDC hooked him up with one of its undergraduate marketing classes at Wharton. He had a bunch of students, way smarter than anyone I know, spend two months researching the market for him — all for class credit. They then handed him a thick market analysis book and sat him down for an excellent classroom presentation that discussed their recommendations. While these kids are not experts, they have professors and graduate students supervising them. Remember, this is a free service.

20. Bill immediately

As soon as you ship a product, the invoice should go out. As soon as a service is performed, an invoice should go out. You get the idea. The quicker you get cash in, the more interest you can earn on it (and the better your business's cash flow will be).

Like this list? There's hundreds more just like it in Gene Marks's newest book, The Streetwise Small Business Book of Lists (smallbizlists.net). Gene Marks is a certified public accountant and the owner of The Marks Group, which sells customer relationship, service and financial management tools such as Quickbooks, GoldMine and Microsoft CRM to small and medium-size businesses. Visit pennypinchingtips.com.

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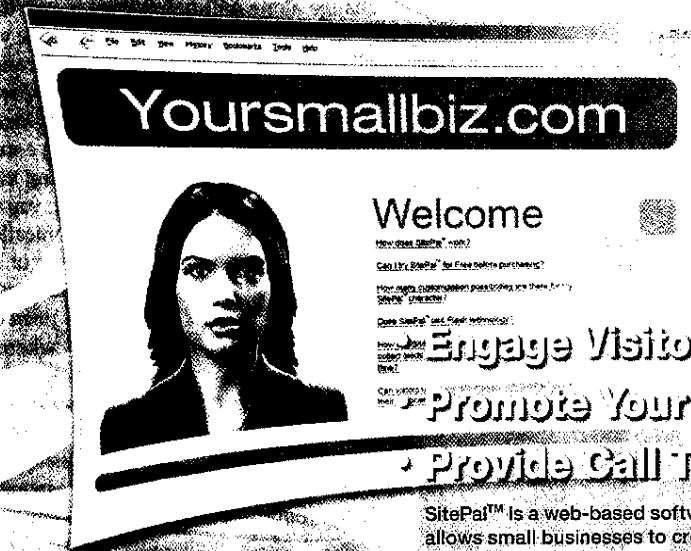
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