



## What it takes to start a small business

By Jacob Ansel

**IN TODAY'S ECONOMY, WE SEE NEW** businesses sprout up daily. But as fast as they go up, many come down; small businesses fail at an alarmingly high rate. Still, there are bright individuals who excel at entrepreneurialism. Take *Tableware Today*, for instance, a small publishing company, celebrating its 100th issue, a milestone in publishing. Publisher/editor Amy Stavis parlayed a decade of expertise and knowledge in the industry before embarking on her own successful business. That's something we have in common. Along with my partner, Mike Slotopolsky, who shares this column with me, we started our own accounting firm using the same approach as Amy in getting our practice off the ground. Experience, connections, tenacity, and a desire to put your own slant on things are critical to having a fighting chance.

Is there a secret to starting and running a company? It's critical to understand why businesses fail before starting your own business. If you ask entrepreneurs why their businesses failed, each one will give a different answer. There's no routine answer, but in every failed business you'll find these commonalities: capital, bad accounting, lack of experience, pathetic customer service, an awful product, and faulty ownership/management.

When it comes to running a successful business, capital is always an issue. Money management isn't something most people do well. Small business owners are often on a tight budget, and tend to spend that budget in the wrong places.

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**Tableware Today started with a dream 16 years ago, a small business that wittingly or not had all the right stuff to succeed... an owner with industry experience, strong and stalwart connections, and a stellar product.**

You have to spend money to make money, but you have to spend it in the right places that will grow the company. Know where you can pinch costs and where you can't. Substandard capital management can destroy a small business.

Staying on top of finances is something many neglect. In the whirlwind of starting a new business, most folks think they can keep track of finances themselves and often lose track of what's going on once the business is up and running. Accountants do much more than tax returns and can help determine the direction your business is heading. You must be in tune with your finances, but it's way more important to have an experienced professional in your corner.

Another critical component in launching a successful small business is being an expert in your field before you move into it. Small businesses must rely on word of mouth since they don't have the infrastructure of larger companies; therefore, you must know what you're talking about. When customers walk through the door and know more about your operation than you, that's a problem. People often open businesses they think will be

easy to run, even if they know nothing about the field. It's a step in the right direction to have credibility in your field.

Providing good service to customers should be at the top of your list. Often business owners get caught up in running a new operation at the expense of paying attention to customers. Without customers, there is no business. Period. Customers will always tell others about bad service. Not only do you lose that customer, but they'll tell others about the experience. A happy customer is a satisfied customer and will often tell others of their treatment as well. The happier your clientele, the faster your company grows.

One of the biggest failings of a new business is because of the owner. No one ever wants to point the finger at themselves, preferring to point it at anyone else. Whether it's egos, arrogance, or stubbornness, when it comes down to it many times owners don't know what they're doing. If they did, they would have fixed the problems long before the business failed. *The buck stops here* is a sentiment to which every business owner should adhere.

Obviously not all new businesses will be successful. Whether an entrepreneur is celebrating the publication of a 100th issue or coming up on a decade as a full-service accounting firm, there are certain tangibles that all new businesses should incorporate to succeed. Opening a business is a huge risk, but one that many are willing to take. It's the dream this country was founded on and, despite global economic crises, is impossible to shake. But look before you leap – another good mantra to be reminded of periodically – will serve any budding entrepreneur in good stead. □