



Managing Your Small Business

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You have made the plunge into small business ownership. You have taken your fledgling idea and given it wings. As satisfying as that feeling is, the panic of “Now what?” quickly follows. There is a lot that goes into managing a small business, and it is entirely natural to feel out of your depth in some areas. None of us hits it out of the park in every aspect of business ownership, but keeping in mind a few key things can help you manage your small business with the finesse that, deep down, you know you possess.

When you start delving into the world of small business management tips and tricks, it can seem overwhelming. Literally everyone who has ever been involved in small business ownership has an opinion about what your priorities should be, what the major pitfalls are, and the best way to avoid making rookie mistakes. However, as you go along, you will realize that all the advice really boils down to a few categories.

Finances

Yes, we went there first. For many of us, thinking about finances is the proverbial nail scratch on the chalkboard—cringeworthy. Something we would really rather think about later. Much later. Unfortunately, when you are managing a small business, finances need to be among your top priorities. So, what do experts agree are the best ways to manage the financial side of small business ownership?

▶ **1. Set up some form of a business entity.**

For many, that means getting registered as a limited liability corporation, or LLC. There are tax implications for each type of business entity, and figuring out which is right for you might take some time. Do your research, choose your best option, and then sit down and fill out the paperwork to make that happen.

▶ **2. Separate your personal and business finances.**

It can be tempting to want to dive right in to getting your small business off the ground, and you might think, I have time to figure out the finances later. You don't. Trust us on this. Create a separate business account because the income you make from the business will be taxed and assessed differently by the IRS. If finances are really not your thing, consider at least consulting with an accountant on what you need to do to protect yourself and your business financially.

▶ **3. Pay for accounting software.**

Most of us cannot afford to hire an accountant when starting a new business. It might seem like a good way to cut cost corners and to leverage the most amount of money into our products or services. We also like to think we can figure it out as needed as long as we keep receipts, etc. Don't fall into that financial trap. Most accounting software is of minimal expense and makes keeping track of business finances so much easier. Tracking business finances and funding requirements is critical. Spending the money to invest in an accounting software that makes sense to you is one of the best investments you can make.

▶ **4. Pay your taxes *every quarter*.**

You may find it easy to think, I can pay what I owe when I get around to it, or at tax time. We are here to tell you, the IRS does not think so. Businesses that do not pay quarterly taxes on time are subject to fines from the IRS. So, set a quarterly reminder and make sure to get those tax checks in on time!

▶ **5. Have a go-to accountant.**

We are not necessarily suggesting you need to keep an accountant on retainer, but it is a good idea to find someone in the know who can answer questions you may run into or help you figure out a particularly thorny finance issue.

Evaluation

Data and analytics are crucial to small business success. Taking time to review how things are going is vital. While experts agree that spending too much time, or putting too much emphasis on, analytics can be detrimental, they also agree that spending time analyzing what is working and what is not is critical to success.

▶ **1. Invest in an analytics tool.**

There are tons of data and analytic software tools available. Take some time to figure out which one makes the most sense for your business. What pieces of data are most beneficial for you to track? Do you need the ability to turn data into nifty pie charts or other visual representations? How much time can you realistically devote to tracking? Bottom line—having data and analysis at your fingertips is key.

▶ **2. Set goals and stick to them.**

It does not matter if you meet them, per se, because every experience is a learning experience, and let's face it, we are all going to make mistakes and fall short at times. Make sure you set big picture goals as well as more manageable monthly or daily goals. Remember, your goals can be whole company goals, meaning they do not all have to revolve around your product and services. While it is necessary to have goals for selling your product or service, you also need goals on employee engagement, continuing education/training, etc.

▶ **3. Stick to a to-do list and do not lose sight of the details.**

As small business owners, we are used to dreaming big. If we weren't, we would not be doing what we're doing. But the devil is in the details, as they say. Take time to evaluate whether you are losing sight of what it takes to achieve the goals you have set. If you have strayed, evaluate whether your goals remain the same or if they have changed and adjust accordingly.

▶ **4. Ban multitasking.**

For so long, we have heard about the wonders of multitasking, but studies show that multitasking actually makes us less efficient. When our attention is split, we lose sight of those all-important details, and we end up making mistakes that may have significant consequences. Evaluate your priority tasks and get through that to-do list one item at a time.

▶ **5. Declutter your business.**

Whether it is a product or service that is not performing as expected, an employee who just isn't working out, or another of the myriad pieces that make up running a small business, do not hesitate to make the hard decisions when necessary. In the long run, your business and your mental health will be the better for it.

Ultimately, successful business managers must be willing to reevaluate constantly. Businesses are not static and neither are customers. Just because something is working now does not mean it will tomorrow. Set regular evaluation intervals and be diligent about keeping them.

Time Management

As small businesses owners, we often feel pulled in too many directions. We feel like we are running from the time we wake up until long hours later when we can finally get some much-needed shut-eye. How can we effectively manage our time so we can be more productive?

▶ **1. Automating frees up your time.**

We might sound a bit like a broken record, but we can't encourage you enough to utilize the technology that is available wherever you can. Whether it involves finances, digital calendars, business processes, etc., use technology to your advantage. It can really make a difference in the amount of time you have to focus on the important things.

▶ **2. Learn to delegate.**

Don't skim over this one! Most of us are guilty of wanting to hold tight control over everything, but as a small business owner it just is not possible if you want to be successful. There are simply too many demands on your time—and that is just at work. Train your employees effectively and then trust that they can do the jobs you hired them to do. Remember, you will always have your evaluation periods to determine whether everything is in top order.

▶ **3. Stay organized.**

It is so easy to get off track when we are not organized. Whether you need digital organization in the manner of digital calendars, assistants, etc. or you need better processes for being efficient at what you produce, implement an organizational system and then, most importantly, stick to it. It can be easy to want to skimp on organization in the moment. How many times have you told yourself, "I'll get to that later," and then never do? You have organized your business practices in a certain way for a reason. Trust that system.

▶ **4. Use the pomodoro (or a similar) technique.**

Studies show that it is difficult to stay focused on a task for longer than 25-30 minutes and still operate at peak efficiency. The pomodoro technique is a way to help you focus so you can work at peak efficiency. Simply work in 25-minute increments with a 5-minute break in between. Once you have completed four 25-minute cycles, take a longer break. Repeat until your workday is finished.

▶ **5. Leave 20% of your workday open.**

Especially in the beginning, many business owners think they need to be working at full tilt with a full schedule every day. Starting a business takes a lot of time, after all. However, life happens. The printer runs out of ink, and you suddenly need time to run to your local office supply store so you can finish that flyer that has to be ready today. Your child's school calls, and you now have to run over there to pick up your sick little one. Or one of your employees needs to leave early and there is no one else to cover their tasks. Building time into your schedule to plan for these eventualities means you are never caught in a bind. If you do not end up needing that time, then you can now devote it to evaluation tasks, or catching up on finances, or even taking a moment to bask in the fact that your small business owner dream is a reality.

Employees

Not all small business owners can afford employees at the very beginning, but at some point in your entrepreneurial journey, you will most likely hire and be responsible for employees. Great employee management skills will translate into additional business success.

▶ **1. Hire for attitude. Train for skill.**

You can always train someone in a particular skill or help bolster an area of weakness. It's hard to change attitude. When you are interviewing employees, spend some time reviewing their resume but more time getting a feel for who they are and whether they fit the work culture you have built.

▶ **2. Train your employees well.**

One of the biggest pitfalls to employee management is not setting them up for success. Take time to flesh out your training curriculum and then give your employees the time and attention necessary to set them up for success. Listen to their questions and feedback to tweak your training processes as needed. Remember, a well-trained employee is a happy, efficient employee.

▶ **3. Believe in your employees.**

Once you have trained your employees to do what you need them to do, leave them alone to do their jobs. Micromanaging can actually decrease efficiency, lead to dissatisfaction in the workplace, and result in a hiring crisis if you are not careful. It is tempting to want to micromanage and constantly check that they are doing the job the way you would do it, but remember what we told you before: learn to let go of control. Something made you hire your employees; trust that instinct and leave them alone to shine.

▶ **4. Provide great benefits.**

No, we are not necessarily talking about insurance, 401(k)s, and the like. Let's face it: Most small businesses struggle to offer these types of benefits, and many cannot afford to offer them at all. Instead, offer what you can. Maybe that means outdoor training sessions or meetings. Maybe that includes a catered lunch or breakfast after a particularly satisfying success. Or even a happy hour or gym membership reimbursement. Let your creative juices flow and even ask your employees what they would love to see offered at work. Find something that works in the sweet spot of your budget and make it happen.

▶ **5. Be transparent.**

Nothing bolsters a positive office culture quite like transparency from the top down. Have an open-door policy—and mean it. Let your employees know that you are there to listen to whatever they have to say without judgment. While hearing constructive criticism is often unpleasant, it is how we grow. Let your employees in on your thought processes where appropriate. Celebrate the big wins with them but be equally frank about the failures. Make everything a teachable moment, for you and for them. Do not blur the boss/employee line but do let them know on a visceral level that you are human too and that you are willing to own and learn from your mistakes in the same way you expect from them.

Self-Care

When we are in the funnel cloud that is starting and managing a small business, the temptation to put self-care to the side often starts with the inner narrative that there will be time for that later. The reality is, we will always think self-care time will come and yet it never quite arrives. A burned-out boss cannot be an effective manager, so make self-care a priority.

▶ **1. Make self-care a scheduled item.**

Put one day of self-care on your calendar every month. One day that is sacred and cannot be replaced by meetings, employee needs, marketing needs, financial concerns, etc. Use this day to reflect on where you are, what your goals are, and what you need to make them happen. Populate this day with generous time given to pursue hobbies and activities you otherwise would not have time to enjoy. Feeding your soul will do wonders for your abilities to be an effective small business owner.

▶ **2. Invest in your education.**

The world is constantly changing and so are the people who make up our customer bases. No matter what field you are in, changes to procedures, practices, etc. will happen. So, evaluate when and what type of continuing education you need and make a plan to make it happen. Knowledge is never a waste, and knowledge gained in pursuit of being the best you can be at what you do will pay dividends in the end.

▶ **3. Schedule meetings with yourself.**

These sessions are different from your monthly self-care days but follow along the same lines. Schedule 30 minutes once a week for you to review where your business is, what your goals are, what has happened that week, and how it all fits into your bottom line. Be honest with the health of your business. What practices are working well? What needs to be tweaked or even discarded? Weekly evaluations will keep you on track and mentally prepared to manage effectively.

▶ **4. Learn to delegate.**

See how we worked that in again? Because it is critical to your mental and emotional health as well as the health of your business. A business with employees who know their boss believes in them and lets them handle a portion of load will have invested employees. Invested employees will be driven to ensure business success. Business success will open more avenues to you. So, learn to delegate, relax control, and step into your role as mentor and coach to your employees.

▶ **5. Develop a support system.**

Find a mentor, someone you click with whom you can turn to when things are rough or when you need advice on how to handle something. Seek out local or online small business networking groups. Humans are not meant to be alone. As a small business owner, you are often going to feel alone because the final decisions rest with you. Find your people and build your support village. It will make all the difference.



Obviously, these tips just skim the waters of small business management.

There are countless bits of advice and tricks for being a better manager and a better business owner, but these five areas are the key ones to focus on as you walk along on your entrepreneurial journey. Remember, there are resources out there to help you when you feel like you cannot do it all. Check out [Powerhouse Planning](#) for all the ways our total remote team solution can take some of the burden from your shoulders and allow you to focus on the things you need to prioritize. We are a proven, cost-effective solution to help you grow and succeed.