

BECOME YOUR OWN BOSS IN 12 MONTHS



By Melinda F. Emerson

Book Summary

Become Your Own Boss in 12 Months: A Month-by-Month Guide to a Business That Works is not about writing a business plan, it's about planning a successful small business. Author, Melinda Emerson's mission is to end small business failure.

Her Emerson Planning System; is designed to reduce an entrepreneur's learning curve as they start their small business. She says, "Owning a business is not a get-rich-quick scheme; *Become Your Own Boss in 12 Months* presents a realistic, month-by-month planning process to start a sustainable and profitable small business."

Become Your Own Boss in 12 Months walks you step-by-step through what it takes to start a small business the right way.

Each month, readers can accomplish a milestone, including how to:

- Month 1: Develop a Life Plan
- Month 3: Set a One-Year Budget
- Month 5: Visualize Your Business
- Month 9: Build Your Marketing Strategy
- Month 11: Launch Your Business

Whether newly unemployed or sick of corporate America, if you are longing to start a small business, you can follow your dreams. You supply the energy, the idea, the elbow grease—and *Become Your Own Boss in 12 Months* supplies the plan.

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Foreword

If this was just another book on how to start a business, I would not be sufficiently excited to write this foreword, even though I have known Melinda Emerson as a colleague on the National Urban League Board of Trustees for a number of years. This is one of the most insightful books I have read on any subject.

This book can be read and enjoyed on many levels. It is certainly a very high quality guidebook on how to start a business. But what truly makes it stand out for me is the extent to which Melinda helps the reader to think through much deeper issues. She recognizes that starting a business is as much about defining the founder's core values and priorities as it is putting together a business plan to market the products and services. Although this book is uniformly excellent and each chapter could be the foundation for a separate, highly-insightful book, some of the profound insights come from the many points Melinda helps the reader understand about how tightly interwoven the business owner's life goals are with business goals.

She makes it clear that the most critical success factor for a business owner is the ability of that owner to decide on life-related goals and to align the business to the achievement of those goals. She also reminds the reader that, like any goal of consequence, sacrifices are needed, and she is more explicit than other books about the kinds of sacrifices that will be required. Beyond that, she makes it clear that there are several different approaches to running a small business, each of which springs from a particular set of life priorities for the owner.

What also impresses me about the book is the extent to which it raises basic questions that enthusiastic business owners fail to address until it is too late. Most owners start businesses because they believe that a product or service that excites them and a group of investors will also excite customers. Even if they are right, she points out the less glamorous details about selling and marketing the product or service, how to support it after the customer acquires it, and how to insure that the end-to-end value chain is profitable. I particularly liked her comments about the critical importance of customer support and service in Chapter 17.

I also recall sharing a story with Melinda about a friend of mine who invested in a restaurant and came to the reluctant conclusion that the profitability depended more on decisions about napkins, water consumption, cash management, and electricity and health department compliance costs than the food, service, and décor that enamored the restaurant's critics. She does a great job throughout the book illustrating the importance of a wide range of seemingly mundane details which, if not attended to, can sink a business.

Although she is advising would-be small business owners, her advice applies equally to executives and professionals of large businesses. Having been on many sales calls at Pitney Bowes, I would underscore the importance of her comment in Chapter 14 that "You must capture your target's attention in the first seven seconds or you fail." As a recipient of sales solicitations, I have also found myself losing patience with numerous sales people long before the person told me what they were selling.

Another broader lesson for business people from organizations of all sizes is that we must not overlook opportunities that can arise at taxi stands, on an Amtrak train, and in churches and alumni associations. Whether one is representing a small or large business, we are all brand ambassadors for our businesses 24/7, and can make those encounters with others either moments of success or missed opportunities.

Finally, she helps the prospective business owner think about the point in time when the founder will have to add employees or other helpers. To the degree that any of us want an organization to outlast us and to leave a legacy of success, we will need to think about those who will take on the work we have started. You need to hire people only when the business has reached a stage at which adding staff makes sense and is supportable by the business' revenues. At the same time, you need to know when it is time to delegate work to someone else to free yourself up for higher value activity. The decision about when and how to add staff is challenging, and Melinda deals very effectively with both the conceptual and practical issues associated with hiring people.

In the course of preparing this forward, I have read and re-read many parts of this book and found new insights each time I have encountered it. This is a book to be savored and to remain at close reach for a very long time whether you are starting a business, running one, or simply interested in why some businesses succeed and others do not.

Michael J. Critelli, Former CEO Pitney Bowes, Inc.
September 2009

Chapter 1 • So You Think You Want To Be An Entrepreneur

Before I became a parent, people told me that the first five years, (particularly the first year) are the toughest years as a parent. That little person is dependent on you from the moment of conception to the day you put him or her on the yellow cheese wagon headed for kindergarten. Once your child is going to school full-time your job isn't over, but at that point children can do some things for themselves.

The same is true for a small business. If you think that you work hard now, just wait until you work in your own business. You will come to know what the word "sacrifice" means. Plan to scale back eating out, buying the latest gadget, and shopping whenever you feel like it. Consider cooking at home and eliminating all unnecessary spending. Yes, that well deserved steak dinner at your favorite restaurant is now an unnecessary expense. Small businesses typically take twelve to eighteen months to break even and three years to generate any profits. And it typically takes four years of focused effort for a business to blossom into a self-sustaining entity.

It will take every bit of enthusiasm and energy you have to grow your business into a viable enterprise and a powerful brand.

Being a successful entrepreneur is also about having patience. You need to be patient with yourself, your employees, and, most importantly, your customers. The sales won't come as fast as you think they should, but if you can just hold on, being an entrepreneur can provide you the most satisfying professional experience you'll ever have.

The key to being a successful small business owner is taking time to figure out the business of running a business, and, more importantly, what you don't know about running a business.

The Entrepreneurial Mindset

Entrepreneurs have a unique outlook.

- ◇ You always think there's a better way to do things.
- ◇ You like being in charge.
- ◇ You think your boss is generally clueless.
- ◇ You feel underused by your supervisors and dissatisfied by your job.
- ◇ You know you would do things differently if it were your company.
- ◇ You sit at your desk calculating the amount of money you make for your employer, thinking that you should be working for yourself.
- ◇ You are convinced that you could do a better job than the folks that surround you.

If any of these statements describe you, then entrepreneurship may be for you.

Before you go into business, there are six things you need to have:

- ◇ A life plan
- ◇ A financial plan
- ◇ A supportive family or spouse
- ◇ Good credit
- ◇ A solid business idea
- ◇ Faith

There are many questions you will need to consider as you plan your new business. Consider the following:

- ◇ What kind of lifestyle do you want to have as an entrepreneur?
- ◇ How big do you want your business to get in terms of profits and staff?
- ◇ Do you want to create a company that will one day go public on the New York Stock Exchange?
- ◇ Will you have employees?

- ◇ Do you want to have one pizza shop in your neighborhood?
- ◇ How many hours a week will you work?
- ◇ Do you need to meet the school bus everyday?
- ◇ Do you want to take off every Friday?
- ◇ Are you willing to work seven days a week? For how many years can you keep that up?
- ◇ How many people do you want to manage?
- ◇ Will you need a partner?
- ◇ Could you handle working with a partner?
- ◇ How will you fund your personal household while you start your business?

You may have a great business idea, but you must decide if it's a good business for you and your family. I have an exercise I suggest you do: Close your eyes and think hard about what the best day in your business will look like five years from now. It may help if you write it down. Spend some time on it and get it fixed in your head. Once you have that vision, then consider what it will take to make that day a reality.

What is your business?

When starting a business, you must have a solid business idea.

- ◇ What problem are you solving for your customer?
- ◇ Does your business solve some unmet need?
- ◇ How much competition is there in your market?
- ◇ How will your business be different?
- ◇ Will you sell wholesale, retail, or both? Will you need a foreign manufacturing partner?

Researching the industry and the potential customer is crucial. Your research will also help determine whether there's a viable market for your product or service.

Know your business

Your business venture should be something in which you have experience or professional training. The only exception to this rule is if you buy into a franchise or take over an existing business. In those cases, the franchise company typically provides some training or there are people working in the business who can help provide institutional information about the business. (Even in those cases, I would not suggest buying a food franchise if you have never worked in a restaurant.)

I hold a degree in Communications Studies from Virginia Tech and I worked six years in television as a news producer before I started my multimedia production company. Work for a business like the one you want to start at least a couple years, before starting on your own. Do not start a daycare center if you have never worked with kids, just because you heard those kinds of businesses make a lot of money.

Love the work

On those hard days when there's no money and plenty of work to do, your love for what you do will be the only thing that keeps you going. Also when you love what you do, your customers can see that, and they will be that much more interested in doing business with you. Savvy business owners figure out how to do something they are passionate about and get paid for it.

Become One of the Few

Entrepreneurs are natural leaders. They are self-motivated and creative thinkers. They can make a decision quickly and stick to it. Entrepreneurs are visionaries, hard workers and are extremely perceptive. They typically have demanding personalities and are extroverted.

On the flip side, at times such people are often stubborn, impatient, not always good listeners or coachable, and can be territorial. They are risk takers who are always seeking to improve upon what is already there. Entrepreneurs left their jobs, borrowed money, and mortgaged their homes to make their dream a reality.

Emerson's Experiences

There is always something that inspires or drives someone to become an entrepreneur. Either it is "mother necessity" or realizing that they are just not cut out for corporate America. In my case, I fall into the latter category. My personality did not quite jibe with the newsroom politics. So after three television news jobs, I had to figure out another way to earn a living. Seven years earlier, as a sophomore in college, I was inspired by Oprah Winfrey starting Harpo Studios, I decided that one day I would have my own production company. In early 1999, I had my big chance, and I took it! And I have never regretted becoming a business owner. When I started my business, I had to scale an incredible learning curve. I had no idea how to use Excel®, Access®, or even PowerPoint®. I barely knew Microsoft Word. One of my mentors let me call her administrative assistant and ask questions about how to format business letters, mail merges, and such. At times, I would e-mail her the document, and she would format it for me. I am sure I gave her headaches, but she graciously gave me the support. I invested in computer-based training to learn the software I would be using. To this day, I always remember this generous woman with a Christmas gift.

Consider business education

I strongly suggest to all the young people reading this book, if you think that you might ever want to start a business, double major or at least minor in business in college. It pays to know marketing strategy, finance, and accounting basics when you start a business. If you are still in school and are interested in starting your own business, write an outline of your business ideas now.

Never Miss An Opportunity To Learn

As a business owner, you must constantly look for ways to improve yourself. Since I have been in business, I have been on the lookout for workshops, classes or seminars on leadership and business. I have attended training programs such as Tuck Minority Business Education Program at Dartmouth College, Darden Emerging Venture Bootcamp Program at The University of Virginia, Leadership Inc., the Urban League Leadership Institute, Prudential Young Entrepreneurs Training Program, The Enterprise Center's Small Business 101, SBA's E200 program, and numerous others. The idea is no matter where you are in business, you can always improve how you do things and learn something that can help your business grow. Start developing a library on books about small business and leadership. At the end of the book, in the resource guide section, I have provided a list of the top ten small business books that every entrepreneur should read. Use this list to gather even more information about running a business.

Follow the Formula for Success

Once you complete your life plan and personal inventory in Chapter 3 of this book, you will know what you want out of life as an entrepreneur. Once your personal path is clear, it's time to formulate your business model. Start by researching your industry, learn the trends and make sure you understand how big the potential market is for your product or service. You'll know you are on the right track when you can see the face of your customer.

Emerson's Essentials

Every small business needs a plan. You cannot be in business successfully without a business plan. Just as you would never take a trip without knowing how much money you were going to need for the whole vacation, how long it was going to take you to get there, where you were going to stop overnight, why would you start a business without knowing its costs and structure?

Plan for Success

Everyone has great ideas, but ideas do not become businesses until they are written down as a plan. Writing a business plan is not as hard as you may think. Go to an office supply store or purchase business plan software online to help you get started. Pace yourself. Write or research for just two hours a day, before work, or after the kids go to bed. My first business plan took me more than two months to complete. After making a dent in your business plan with the software, take a business plan course from a non-profit business training organization, a Small Business Development Center (SBDC), a Women's Business Development Center (WBDC) or a community college in your area. I meet people all the time who tell me they are thinking about starting a business. Until you have a complete business plan with financial projections, you are a person with a hobby or an idea -- you are not in business! You must set

goals for yourself and stick to the budget in your plan.

You'll need a business plan to present to investors or a non-profit organization to get a small business loan. No one will loan you money for your idea without a business plan that has realistic financial projections.

You must also revisit your plan every three to six months, particularly in the first year of your business, to see what has changed and update it to reflect market conditions. This is your blueprint to stay on top of your business goals and projections.

Gotta have faith

If your business is a recipe, I believe faith is a key ingredient. Faith gives you the confidence to quit your job, and the courage to go forward. You will need faith the most on those days when things do not work out. Faith in your business will help you make it right with the client, learn from your mistakes, lick your wounds and fight on another day. Faith will help you have trust in your employees, vendors, and your customers. Religious or not, you can always pray.

Emerson's Experiences

I have re-written my business plan every year that I have been in business. The third time I re-wrote my business plan, I won a business plan competition in Philadelphia. The prize was \$20,000 and free office space for a year.

How are your people skills?

People do business with people they like and know. Your ability to interact with people including customers, staff and strategic partners will be critical to your business success. Many entrepreneurs get frustrated managing employees, even if they have experience managing people in a corporate setting. If you are a business owner with a more technical background that has never dealt with external customers or a team environment, your people skills may need some work. You might need to consider bringing in a partner who has excellent communication skills. It all comes down to communication. Do your best to determine what level of communication is required. It could be face-to-face, memo, email, hand written note or a phone call. Or you may need to use more than one method. Try to always end any interaction by recapping deliverables and any action items. Do not hesitate to follow up any communication in writing.

A supportive family or spouse

Business owners who are married can benefit from a spouse who supports the household financially and provides health benefits while the enterprise is getting off the ground. However, suddenly becoming a one salary family is tricky. You must make sure that your spouse is behind your decision. If not, your dream can turn into a nightmare.

Treat your spouse, who is sacrificing along side you, like your number one customer. Make sure there's good communication between you. Show lots of appreciation for the partner who works the 9 to 5, taking care of homework, dinner, and bed and bath for the kids most of the time. Remember that eventually your spouse will want to see money coming in the door instead of going out.

Is entrepreneurship for you?

If, after reading the section above, you put down the book and put your dream of entrepreneurship on the shelf, don't feel bad. Not everyone is cut out to be an entrepreneur. Not everyone can stomach scaling back their lifestyle, becoming debt free, sacrificing having new cars, clothes and houses, or putting off starting a family until the business is up and running successfully.

But if you've read to this point and your passion and commitment and faith are still strong . . . go for it!

Chapter 22 • 10 Things You Must Never Forget in Business

This chapter is what I call the common sense information about business, which is really easy to forget over time. These are the 10 things that will keep you in business, if you put them into practice. If you take this chapter and use it alone to run your business, you will shave three years off of your learning curve as a new business owner. Trust me! This chapter focuses understanding your profit model, friendliness, the art of the close, paying attention, presentation is everything, time is money, the importance of confirming the deal, encouraging feedback, managing the customer experience, and how to always be looking for the next customer.

1. Make sure you know how much profit is in every deal.

The concept of knowing how much profit is in every deal is something that may seem like common sense, but it is not!! Before you send pricing to any client, it is important that you have clearly figured out what the job is worth to you. Early on in my business, I figured out some general pricing. I had a one-size-fits-all pricing in fact, and when I started analyzing my profits, I was lucky if I made 25% gross revenue on any project. Then I had to pay all overhead and taxes from that before I pocketed any money. This system got me nowhere fast.

What are some of the things you need to consider in determining your profit? Let's say you are a tailor, for example. Here are some things to consider:

- ◇ *Cost of materials* – If you make suits or dresses, the expense of fabric, buttons, thread, and trim should be tracked for each garment you make.
- ◇ *Cost of labor* – If you are doing the work yourself, what is your time worth? \$10/hour? \$20/hour? \$75/hour or more? Are you designing it yourself or is the customer giving you the specifications? If you are paying an employee or freelancer to do the work, how much time will it take for him or her to make the garment? Your time is your money.
- ◇ *Overhead* – Businesses contain many things that are not free— electricity, heat, rent, insurance, water, business licenses, advertising, legal fees, security, accounting costs, computers, software, cash registers and other office supplies. Some things are occasional expenses, others are weekly or monthly. All of them are things that will need to be paid for by your business and need to be reflected in your price. You should also know how much money it costs you to run your business monthly, which is also known as your monthly burn rate.

How much margin is enough?

Once you have calculated your costs, what are you going to charge the customer? There are several choices. If you see yourself as a premier tailor whose craftsmanship is recognized as clearly superior by your customers, you may be able to get away with margins of 400% or more. Gucci, Valentino, and some high-end tailors like Jon Green get \$6,000 to \$7,000 per suit mainly based on the perception of status that the name implies. On the other end, you can get a Hong Kong suit delivered in the U.S. for \$500-\$1,000 depending on fabric. Margins for these suits are significantly lower based on lower labor costs and volume. My suggestion is that you start at 100% to 150% above cost depending on the market, your competition, and customer base.

You can always reduce prices, run sales, and create promotional events to get customers in the door. You always need margin just to have flexibility in your pricing. But remember, you must cover your costs, or you will end up broke and out of business.

It is a similar situation for professional service businesses where pricing is generated on a per project basis. Once I figured out that in general, I wasn't making enough money on the deals I was doing, I sat down with my accountant and created a spreadsheet that told me exactly how much each job cost. My accountant also formatted my accounting software to track project expenses. I began to clearly see how much profit there was in a given project. The cost breakdown forced me to justify my pricing, rather than using "gut" feelings or what I thought the customer would pay to determine pricing. It ultimately helped me better understand how to put more "cheddar in my pocket."

Emerson's Essentials

If you don't have a background in accounting, make sure you get sound advice on your finances. You can learn some really expensive lessons if you do not understand profit margins up front.

2. Customer service is the truth, the light, and the way!!

There are times in business when you will make a mistake. It happens to everyone; the key is how you fix it. One time I had a client who called me on the phone the day after the Christmas holiday, furious and wanting to know where her product was. She said, "We've paid you all your money, so where is our merchandise?" Needless to say, I was stunned because I had directed a subcontractor to deliver weeks earlier. Now, at this point, I apologized for the mistake and I assured her I would get on it right away. My next step was to track down what happened. The subcontractor had a bunch of excuses, so I personally fixed this for the client. I also sent my client a fruit basket to apologize again for the mistake, and to hopefully re-affirm our relationship. The upshot was that I was able to keep the customer and eliminate a sub-contractor that was hurting my reputation. This is just a small example of how I kept a customer, but if I were to give you some general rules about performing great customer service, they would be the following:

Always know the value of a customer

Know how much profit your customer puts in your pocket. Have a strategy for turning a new customer into a long-term customer. Go the extra yard to make your customers happy, and treat them like your paycheck— because they are.

Generate positive "buzz" and great word-of-mouth

Excellent customer satisfaction is the best advertising you can get in business. We all try new businesses based on a friend's recommendation. Work hard to get folks to say great things about your business. Unhappy customers will tell the world about your poor product or bad service.

Stay positive

Customers get mad, but you can't afford to have an angry response. Most people really just want to vent. Always be the total professional, have a willingness to listen, and always be prepared to meet the customer more than half-way to solve a dispute. Only in the most extreme of circumstances should you say "absolutely not." Say it too often, and you'll be out of business.

Look for feedback

Ask for customer feedback. Use surveys and always call your customers after you provide service to see what can do you to increase their satisfaction (and your sales). Use customer intelligence to learn about industry trends and increase your product offerings. The more you know about serving your customer, the more competitive your business will be.

3. ABC- "Always Be Closing"

"Always Be Closing (ABC)," is an easy way to remember that new business can come to you at any time and just about from any place. Here are some key rules:

Religious Persistence

Call, knock on doors, and email your communications. Be relentless in going after your target customers. A percentage of those folks getting your messages will eventually contact you, and when the time is right, you will get the business.

Create Targeted Marketing Materials

No matter what business you are in, you need to gear your marketing and promotional materials to a specific audience at the best place to contact them. If you own a car wash, distributing flyers in the neighborhoods close by may be the way to go. You are not likely to see flyers from your local Mercedes dealer.

Close, Close, Close!

You must ask for the business! If you see potential customers, ask for an appointment. Ask if they are happy with their current supplier. Even if they are ecstatic with their current supplier, invite them to lunch; offer a limited time discount. Ask them what it will take to get their business.

4. You are always under a microscope – Attention to Detail.

Customers are risk-averse. It is hard to gain a customer's confidence as a new vendor. They may already have a long-term relationship with a similar supplier and you are the unproven new kid on the block. Here are some priorities for making the best impressions.

Well written marketing and/or collateral materials

Make your message to a potential customer direct and to the point. The benefits and features of doing business with your company should be clear. Also, be sure to spell out your unique value proposition. Most of all, please, please, please have someone else read your drafts before you get anything printed. There's nothing worse than spending your limited resources on getting 1,000 copies of something printed, only to later find a typo.

Effective meeting management

Make sure when you are meeting with clients that your comments are thoughtful and brief. Do more listening than talking. Have great respect for the client's time. If they say they only have 20 minutes, then that is all the time you have. If you keep them 45 minutes, then you have guaranteed you will not be asked back. Finally, make sure to focus on what you want the outcome of this meeting to be, whether it is a next step or finalizing a contract.

Emerson's Essentials

Sometimes computers and projectors do not work properly so have copies of your presentation ready to hand out. In fact, always make three more copies than you think you'll need. Clients like to invite extra people to group meetings.

Responding to a bid request

Make sure your proposal is organized with tabs in a binder or presentation folder. Do not just send paper. Present a proposal so polished that, in effect, you dare them not to award your firm the contract, even if your bid isn't the lowest. The first page of every proposal I send is "Why your business needs Melinda Emerson". I customize my bid covers to the particular service needed in the RFP so they know why my consulting services are the solution to many of their small business marketing problems.

5. Nothing beats a professional presentation.

Don't try to bring your A game in your B suit. How you look and how you speak sends a message to the customer. Bad impressions are often deal breakers because they go directly to trust. People are reluctant to spend money with vendors who don't look right for the services or products that they are representing.

Emerson's Experiences

I once knew a woman who would bring a fresh suit to her office every time she had any sales appointments. She would actually change suits in the middle of the day if she had morning and afternoon appointments. She told me, "As a woman who wears makeup, if makeup is on your collar or clothes, it absolutely looks unprofessional and you need to change." I remember how vain I thought she was, but later, as my business matured, I started to notice how the most effective sales people looked when they showed up to sales calls and trade shows and I realized that she was right. Now, I'm not saying go out and buy a whole new wardrobe, but we all know what suits are our best. Use the best when you are selling for your business.

Speaking the part

It is said that no one knows who you are until you open your mouth. It not only applies to having good dental work. People make judgments on your education, class, intelligence, and most importantly, on

whether you can do the job or deliver the service based on how you speak. It is an unfair and biased approach to evaluating a potential vendor, but life is not fair. First impressions can leave lasting damage or be the first step to a big contract. Practice, Practice, Practice getting your message out in a clear, concise, and professional way. Open that customer's "comfort zone" so that they will let you and your message in the door.

6. Time - The most valuable asset in your business.

As an entrepreneur, your time is the most valuable thing that you can give anyone, so treat it as such. Qualify prospective clients before you agree to meet with them. Have a clear timeline that you clarify up front with goals and objectives for the meeting. If the client does not have a budget, then that may suggest that they are not really ready to buy. Conduct as much pre-work over the phone as possible, and develop a check list of things you need from the client prior to developing a quote or attending a meeting. If you can, make the meeting in your office, so that you lose less time if they do not show up. Here are some general hints to manage your time more effectively.

Be early for appointments

The rule is that you can waste your time, but not your client's. That's the cost of being an entrepreneur. Check for traffic jams, have an idea of what parking is available near your client, check the weather, and allow time for the walk to the client's building. There is no time for surprises when you are trying to get to an appointment.

Emerson's Experiences

Early on in my business, I began to get a reputation for being late, then one of my mentors said that someone had mentioned my problem to her. From then on, I have been the first one to arrive at any meeting I attend. The key to being a good business owner is to take good advice and respond immediately. Like it or not, most of your customers run on the clock and have a real negative bias for people who waste their time by not keeping appointments promptly.

Emerson's Essentials

Confirm appointments a day ahead. When I schedule an appointment, I always get the cell number of the person with whom I am meeting. If I'm lost or might possibly be late, I can make a courtesy call.

Plan each day – make a "to do" and a "call list" list with priorities

There is so much to do when you are in business— from paying bills, setting aside time for social events, or meeting with your child's teachers. Make your list ranking the "must do's" and the "should do's" so you can easily see how much time you have to work with that day. Also, if you are in business, you must contact at least 10 people a day to keep your networking going.

Never say "yes" when you need to say "no"

Non-essential activities like non-profit boards or volunteer projects can be quicksand for your time, sucking you up until you can barely breathe. Unless there is a real, quantifiable business benefit or key personal reason for an activity to be on your list of priorities, just say no.

Emerson's Essentials

When you are in business, everyone thinks you have lots of money. That is the goal, but not always the reality. Be strategic about what fundraisers and social events you attend. Check the organization's board list to see if any "big fish" you need to meet could be in attendance.

7. Get it in writing.

My brother is an attorney and he has a saying, "a conversation never happened until you get it in writing." There will be times in your business when you deal with clients who promise you things or tell you it's a deal and then things fall apart. Do yourself a favor, do not start any work or ship any product until you get a signed contract or purchase order.

Clients sometimes have internal politics. For example, someone gives you a green light for a project, when they really needed to get approval from someone else. Sometimes you need to get the deliverables you need from the client in writing, and help them understand how that affects their end delivery date. Anyone selling for you needs a written agreement clarifying commissions and fee structure. There's no such thing as a handshake deal, or verbal agreement, get everything in writing.

Send follow-up memos and e-mails

You want to make sure that everyone is clear as to expectations and deliverables, especially when your clients need to provide information. Make sure you know the names and titles of the people you are working with and where they fit in the "food chain." Always ask for business cards.

Emerson's Experiences

I had a situation one time when I was doing a project by committee, and my client needed to provide me with a lot of materials to prepare the project. The problem was that the contact person who was actually supposed to gather the material, didn't really like me, and was not really concerned about when I got the materials I needed. Thus, I had a political situation. I reached out to a friend inside my client's organization who simply said to reiterate that person's task list in writing in a friendly, non-threatening way in an e-mail, and copy a few key people in his organization. Do this carefully. You always make an enemy for life when you expose someone to their boss. When I did this, it did three things for me: it put it in writing what I was expecting, it covered me politically in case we did not make deadline for the project, and it got me an immediate response." Always send a client a memo after a meeting to clarify what was discussed and agreed to as far as action steps.

8. Use reference letters as a report card.

Ask for a reference letter for clients. There are several reasons to do this: it helps to build your business, provides constructive feedback, and encourages the client to think about their experience with your company. If a client won't give a letter, you need to know why. You need to make sure you are doing an excellent job. The letter will help you understand what you could have done better, and what the customer liked about doing business with your company. People like to see letters as proof of your good track record. You can use the testimonials in your collateral materials.

9. Manage your client's first impression.

There is nothing worse than calling a place of business and having someone unprofessional or rude answer the phone. Think about how you get treated when you call a phone or cable company? They don't seem to care very much about you. Well, that should not be the case in your business. The person answering the phone is your first line of defense; that person really represents the culture of your business and your brand. You must make sure this person is polite, friendly, and helpful.

Here are some hints to make that telephone call as impressive as a face-to-face meeting:

Invest in a decent phone management system

Find a communications consultant who can help you determine the telephone system features that you need. Make sure your system can grow with your business.

- ◇ *Answer promptly* – the phone should be answered in less than two to three rings.
- ◇ *Identify the company, then yourself* – "Good morning, this is Melinda Emerson's office, Sonia speaking, how may I help you?" When your clients call you, they should encounter someone just like you. The receptionist should be someone who is helpful and professional with solid verbal skills, who speaks clearly, slowly, and in a pleasant voice.
- ◇ *"May I put you on hold"* – Teach your receptionist to ask before putting a caller on hold and to thank the caller for waiting when she returns back on line. If the party the caller is looking for is not there, make sure your receptionist can connect the caller to the party's voicemail or offers to take a message.

For home-based businesses

Get separate phone and fax lines for your business and use voicemail. I would also suggest using an answering service and forwarding the phone to your cell phone to increase responsiveness. Do not broadcast how small your business is by using the family answering machine that sounds like you recorded the message 100 feet away from the microphone on the answering machine.

10. Always fill the pipeline.

No matter what else is going on, always know from where your next bit of business is going to come. In the fourth quarter, I'm already working on contracts for the first quarter of the next calendar year.

Here are some strategies you might find useful:

Get information on your client's budget schedule

You must constantly be working your contacts to find out when they are planning budgets and when their budgets close. With that information, you can position your projects and activities for that client so that money for those projects will be earmarked in that budget.

Nurture your relationships

Turn contacts into contracts by staying in touch. Don't just buy contact management software, use it. Call every quarter to check in, send an e-blast and send holiday cards. Make sure you thank all your customers for their business. If your customer has awarded your firm a significant large contract that year, send a gift for the holidays

Emerson's Essentials

Make sure sending a thank you or holiday gift is not against your client's company policy. I have a contact at Wal-Mart who is not even allowed to accept lunch, let alone a holiday gift. All you want is to keep your name on the list of people they call when they have a need; hopefully your name is at the top of the list.

Prospect everywhere and all the time

Make sure everyone in your circle knows what you do, and has enough information to make referrals. Read your local business journals, business magazines, and daily newspaper's business section to find RFP advertisements and leads. Attend seminars, business opportunity breakfasts, and procurement events to constantly meet people that might be a new contact that could generate some business. The small business development centers, chambers of commerce, minority and women's business organizations sponsor these kinds of events monthly. Take full advantage of every opportunity to fill your pipeline.

Praise for Become Your Own Boss in 12 Months

"Become Your Own Boss is a great handbook that can guide you through every step as you start and grow your small business."

Steve Mariotti

Founder

National Foundation for Teaching Entrepreneurship (NFTE)

"Melinda Emerson has written a remarkable book. It is essential reading for anyone seeking to make the transition from working girl to successfully working it, as an entrepreneur."

Cynthia McClain-Hill

Former President, National Association of Women Business Owners

"The perfect companion for those planning to go out on their own; Melinda delivers first hand practical advice on how to be the successful entrepreneur. Read it, if you want to get it right the first time."

Kenneth L. Shropshire

David W. Hauck Professor at the Wharton School of Business

University of Pennsylvania

"Melinda Emerson's Become Your Own Boss touches every topic a successful entrepreneur needs to know. The book is written in clear and straightforward manner that you don't need an MBA to understand, although many MBAs can benefit from its comprehensive span of virtually every relevant issue in business ownership. This is a book that I will recommend to many who seek my advice about the life and choices of a budding entrepreneur."

Lucy Rueben, Ph.D

Professor, Fuqua School of Business

Duke University

"Melinda Emerson is one of America's pioneering and passionate entrepreneurs. Her efforts to share her experiences will no doubt inspire others to pursue their own entrepreneurial vision with the same determination, and vigor that has made her successful."

Marc H. Morial

President, National Urban League

"Great step-by-step advice for anyone looking to start their own business."

Andrew C. Taylor

Chairman & CEO, Enterprise Rent-A-Car

"This book is packed with practical information for starting and growing a business – including the tough realities that most guides skip over. What makes it powerful, however, is that it goes beyond how to start a business – it is about integrating personal and professional passions – and practical ways to achieve that. This is one of those books you will read and re-read – and give extra copies to special friends."

Sharon Hadary

Former Executive Director, Center for Women's Business Research

"Now there are no more excuses. Melinda's step-by-step approach has made it plain and simple. The only missing ingredient is you."

Mel Gravely, Ph.D

Author

Making It Your Business: The Personal Transition from Employee to Entrepreneur

*"Don't even think about going into business without reading this book. A step-by-step roadmap for success, *Become Your Own Boss* by Melinda Emerson is a must for every entrepreneur's business reference shelf."*

Christina Katz

Author of Get Known Before the Book Deal & Writer Mama

"In the movies, entrepreneurs dream up an idea, fling open their doors and are richer than Warren Buffett three scenes later. Melinda Emerson knows what works in "reel" life is far less likely to work in real life. That's why she gives you a detailed timeline to follow. She describes her 12-month planning system as "your personal GPS" and indeed it can keep you from getting lost."

Paul B. Brown

Co-author of the international best-seller Customers for Life

"Melinda made me do this, see this and think this according to these steps for my business---so I know this is real stuff that folks need to hear and know that it works!"

Anisha Robinson

Small Business Owner

LanceLee Planning

*"In *Become Your Own Boss*, Melinda provides a witty and entertaining "how to" guide for entrepreneurs. It provides a step-by-step plan for developing a business model and building a dream. The book is a must have for anyone who is considering starting a new business."*

Kathryn Y. Dove, Esquire

Professor of Business Law National American University

*"*Become Your Own Boss* offers a complete starters package for the budding entrepreneur, and serves as a professional development course for seasoned entrepreneurs with plans of business expansion."*

Will Gist

Gist Enterprises

About the Author:

Melinda F. Emerson, known to many as "SmallBizLady," is a seasoned entrepreneur, professional speaker and small business coach, whose mission is to end small business failure. Her areas of expertise include small business start-up, marketing consulting and social media strategy. She is also CEO of Quintessence Multimedia, an award-winning multimedia production company. Her clients have included Johnson & Johnson, Verizon, Enterprise Rent-A-Car and Comcast. Emerson was named one of the Top 50 Women in Business in Pennsylvania, one of Top 30 Leaders of the Future by Ebony magazine and the Philadelphia Business Journal & National Association of Women Business Owners gave her the Woman of Distinction Award. She lives in Drexel Hill, Pennsylvania.