

Top Financial Tips for Business Owners

Making the decision to own a business can provide great opportunity. In order to set your business up for potential success it is important to have a strong foundation. In today's economy business owners are always looking to find ways to grow and increase their business and stand out in the market place. Here are our Top 10 Financial Tips for Business Owners, which you can use as a guideline to potentially take your business to the next level.

1. **Test Small & Play Big:** Before you spend a lot of money on a new business, find out if there is a market for your product or service first! Test small before investing a lot of dollars and then play big.
2. **Have A Business Plan:** Your plan is a road map for your business. In the event you want to establish a corporate line of credit or attract investors, it is crucial that you have a business plan. There are many companies that can help you establish one for minimal costs.
3. **Expect To Invest Twice The Amount Of Time & Money:** There are always the unexpected expenses that pop up in a business. Plan on having a business line of credit or 6 months-1 year of operating expenses in reserve
4. **Limit Your Liability:** Entity formation is always a good idea after your making money in your business. It will limit your liability and there are tax advantages you may benefit from.
5. **Partners:** A buy/sell agreement is a must! It will outline the terms for each partner in the event of premature disability, death, divorce of partnership and how the company will be valued.
6. **Revenue Modeling:** Know the numbers by using the 40/40 rule. How much revenue and income are you looking to acquire? How much product or service hours will it take in order to accomplish your revenue goals. Your advisors can help you run these numbers.
7. **Who Is On Your Power Team?** Get professionals on your advisory board who have many years of experience, and who can coach & guide you in your decision-making. Typical advisory board members include a financial strategist, tax strategist, and attorney
8. **Protect Your Business:** Make sure you have BOE (business overhead expense) insurance, Key Man insurance, workers comp, liability coverage, disability, etc.
9. **Outsource:** To cut costs look into outsourcing expertise such as payroll, virtual assistant(s), bookkeeping, CFO's, etc.
10. **Branding/Public Relations/Marketing:** You have to differentiate your business by having a clear message though proper branding. Next it is important to communicate relevance to your target market.

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