



The Loneliest People in Small Business

For some years now I have noticed a phenomenon that occurs repeatedly in all small businesses, regardless of the business type.

Simply put, the owners of those small businesses are some of the loneliest people *in* business!

I know many small business owners in this situation. Moreover, I'm one of them!

Small business owners face must master a multitude of disciplines, or at least be good at most of these disciplines. For instance, the owner must have a competence in Sales, Marketing, Production, Legal, Accounting, Finance, Strategic Planning, possibly Environmental issues, Human Resources, and more often than not, Technology.

In essence, the owner must be able to handle everything but fluctuations in the overseas exchange rates.

If the business is young, or is growing rapidly, it probably has cash flow problems, usually manifested in uncertainties over meeting payroll or making the payroll withholding deposits on time.

In my healthcare days in another city, one of my employees was an RN whose husband owned a home renovation business that catered to \$1,000,000 lake front homes.

His market segment was highly sensitive to fluctuations in economic conditions, as you might imagine. When the economy was booming, his customers thought nothing of \$80,000 kitchen remodelings.

But when the economy slackened, demand for services in his market segment dropped to nothing.

She told me many times that she would not talk with him when things were difficult for the business. She was very risk averse, and such discussions were very threatening to her.

In my experience, this situation is much more common than you might think. The marriage is strong in all other aspects, and discussions and exchange of viewpoints is open in all other parts of family life. Except discussions about the financial health of the business!

So when things get tight, who does he talk to? Who do any of us who own the business talk to?

In this case, he couldn't talk to his spouse—she's risk averse. He may not be able to talk to his employees. They may think he's about to go under and start looking for work.

He can't talk to his competition. They'll eat him alive.

And he may not want to talk to his banker. The banker may call the loan!

So where does this worried small business owner turn to? Who will be a

sounding board for his or her worries, the dreams, and the answers to the ever-present questions of "What if..." and "How about...?"

Where To Go For Answers

Here are some ideas that have worked for me, and which I routinely recommend to my clients.

First on the list is the spouse. Risk averse or not, owning a small business is inherently risky. Of course, reward often comes with risk, but of course there is no guarantee.

Talking over the business with my spouse has often helped me bring a sharper focus on the problem, and I'd like to think that she gets a feel for how big the problem really is. But spousal involvement is not an option for everyone.

Creating an informal Board of Directors is an idea that worked for me when I started, and which I know has worked for others.

Ask four or five business leaders if they would be willing to meet with you periodically, say once every 3 to 6 months.

You wouldn't pay them, but maybe you could take them out for a nice lunch. Your goal is to gain an objective critical review of your business performance from someone you trust and respect who has already "been there and done that".

Many, many successful small business owners would be pleased and honored to perform such a service. They bring a wealth of ability and experience to the table, and can probably recognize the mistakes you're making, because they've already made those mistakes.

And they can reinforce you in the good things that you are doing. Often, we get so caught up in the day-to-day activities that we lose sight of our achievements, or worse, we belittle our own achievements.

We need to always have an objective, unbiased assessment of what we've done well as well as our opportunities for improvement.

Who could serve? Your banker, insurance agent, attorney, and accountant are obvious choices. They see lots of people in small business, and they have some degree of interest in your success.

People with proven expertise in marketing are also good choices.

The most important criterion is that they must have "been there and done that", and have been successful. People with struggling or immature businesses will not be nearly as effective as will be those who have already achieved some measure of small business success.

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