

DO YOUR HOMEWORK

By: Robert S. Sher

Have you made a resolution yet for 2010? There's still time to resolve to get better prepared and do your homework in the new year. Whether you're hiring a consultant to advise your organization on a major restructuring effort or starting a new business, research everything before making any decisions. It pays to do due diligence in any business situation and, please, don't let the economy be your excuse to not take care of business.

In this column, I've talked about issues impacting small businesses, entrepreneurs, CEOs and up-and-coming leaders. I've shared my best tips from years of business coaching, ranging from starting up a business and managing difficult employees to staying positive and making those tough choices.

This month, I want to reiterate some key points to help you be proactive with your business choices. Who has time to wait it out until the economy picks up?

The most important item on your 2010 to do list should be updating your business plan. If you have not done one, do it now. If it is stashed away in a filing cabinet, get it out, read it, and revise it. This is a requisite item for getting capital. Equally important, it will also summarize your vision for the company and your blueprint for the company's operating success. Investors and banks will not take you seriously without it; a plan will guide and focus you.

Next, don't follow every trend. I've noticed lately that many entrepreneurs and small businesses have slashed staff and budgets so much they are too lean to get the job done effectively. They are afraid the economy will crush their businesses without major cost-cutting, yet they are putting themselves at competitive disadvantages.

Do not implement massive layoffs or reduce inventory without doing your homework. Who is going to do business with you if you don't have the right inventory? Who will want to work with you if you are so short staffed no one returns calls or gets the job done on time and to the customer's satisfaction.

Consider instead investing in your business. Apply for a loan. The government has many options available. Seek out venture capital. Hire a professional to help you figure out your options.

Now make sure you have the skills to do the task. Taking care of your business requires a confident and capable mindset. Do you measure up?

Research of successful entrepreneurs shows that successful business people share certain common characteristics. How much are you willing to sacrifice? Do you have strong interpersonal skills and leadership ability? Do your employees value your opinion and follow your lead? Are you an optimist or pessimist? More than ever before, a business owner must be able to hang in there and stay positive when business gets tough.

Every boss, manager and team leader must take positive steps to prepare for more uncertainty. So, do your homework and do what it takes to get your business in order. If you need reassurance, seek outside counsel. Remember, if you position yourself for stability, you will be in a better position to grow. It's your choice. Sit at your desk and sulk or do you have what it takes to get through the tough times.

Robert Sher, CPA, is a Certified Executive Coach. Formerly CFO of a large Michigan-based real estate developer, Sher has been a delegate from the Michigan Association of Certified Public Accountants to the National Future Forum working on the CPA "Vision" Project. Sher serves on the boards of numerous charitable and professional organizations. His Email address is: info@bobsher.com.