

Having spent over 25 years of my career working with business owners to navigate the highs and lows, I've seen firsthand the variety of issues that can arise. Although running a business isn't easy, here are 10 practical points for minimizing some of the pitfalls:

Business Plan: Stick to your plan, no matter how tempting it may be to deviate. I have seen numerous times where someone jumped track because an opportunity which seemed like a great move. In most cases, decisions made rashly or without a thorough evaluation can be detrimental, regardless of how 'perfect' the opportunity may seem. There is good reason why Fortune 500 companies regularly pare back and re-focus on their core business. Sticking to your business plan sounds like elementary advice, but trust me it can be tempting to veer off the plan, and it takes self-control and discipline to stay the course.

Employee Matters: I have counselled many business owners who had issue with employees. This can be an emotionally charged area and also one in which the law needs to be considered before making decisions. I remember helping one fellow, convincing him to not fire an employee due to circumstances that would have given rise to a discrimination case. If you have a dicey situation, hire expert help in the employee law arena. Although it may not always seem fair or even logical, the law can and does frequently determine the appropriate action to take. You cannot let your emotions overrule what the law states.

Not Paying Attention to Cash and Cash Flow: The textbook example of a great business that fails is one that outstripped cash/cash flow. Watching cash flow patterns can tell you a lot about the health of your company. If you think you're growing too fast – you may be – and it is best to meet with your banker and CPA to evaluate the situation.

No Estate Planning: So you have succeeded with building a great business, Congratulations! But what happens if you or your partner die? Although this is not fun to address, it would be much more difficult for your surviving family to tackle after the fact. I recommend that you raise this issue with your trust officer who can expedite putting a good plan in place with a qualified attorney.

No Exit Strategy: If you have built a great business *and* you have a well done estate plan, Congratulations again! You're making great progress, but you're not done yet. You still have a few more questions to address: What is your exit strategy? Are you transferring the business to family, selling it to third parties, or something else? Are you trying to maximize value? It's time to critically think about these options with your trust officer, CPA, and attorney.

Not Ending a Dying Business: Like bad employees, sometimes you just have to cut your losses on a business. When a client sold a business at a hefty loss, it was painful. However, this was not as painful as keeping it would have been. Is it time for you to move on? Talk frankly with your CPA.

Wrong Bank: Is your bank working with you, or solely for themselves? Yes, your bank needs to make a profit on its relationship with you, but you need to get a value for that investment. Are they simply your conduit for money, or do they interact with you and help you succeed? Do they have ancillary services that can be helpful to you, like a trust officer who can talk to you about exit planning or estate matters? More importantly, are they actually doing that?



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Not Saving for Retirement: An important rule of thumb for your retirement planning is to pay yourself first. Tax deferred compounding, of even a few dollars a month, adds up nicely over time. If you can't afford to contribute to a retirement plan, what is that telling you about your business? There are a variety of retirement plans from which to choose and your CPA or trust officer can help you decide what retirement plan may work best for you.

Not Engaging Your CPA & Attorney: In this era of do-it-yourself and online help, do you really need a quality CPA or attorney? Yes! Very often. Develop a relationship with them so you can call with a quick question to see if you need help on a given issue. They should be key players in your business. Their fees are bargains compared to the potential costs of not using experts and then having to deal with future problems.

Not Taking Vacation Time: Being a business owner doesn't mean that you can't still be a very involved parent or family member. In fact, a lot of successful business people have a solid balance between work and family life. And you can, too. Is it time to back off a bit and care for you and your family? When is the last time you took your spouse on a long weekend? Or showed up at your child's event unexpectedly? We know you can get more money, but you can't get more family time.

I realize that running a successful business is more challenging than the sum of the above issues, but addressing each will help to ensure the foundation of success is in place. Do any of these pitfalls need your attention? Engage your expert helpers. **A common thread that runs throughout these topics is partnering with a knowledgeable professional.** Better than simply being your sounding board, your experts should critically think with you to design a plan specifically for your business and your situation to help ensure your success.