



NDSU Extension

Small Business Newsletter

Business Owner Tips and Resources

September, 2011

I don't know about you but fall always seems to be the busiest time of the year. There are lots of activities occurring plus preparations for that rush before the holiday season.

What that means for me is that I tend to let some of my routines slide. One of those routines is ensuring I continue to build and maintain my networks. At many of the activities I have the chance to meet new people. While I may remember to hand out my business card and give my elevator speech (I know I do not always follow my own advice), the part that definitely gets missed is the follow-up.

So this month, I encourage you to make the time to both network and to also do a follow-up. And I am going to help you (with selfish reasons in mind – full disclosure). As a reason to stop in, print off a copy of this newsletter and share it with your new contact. Encourage them to send their email address so they can get their own copy of the newsletter each month.

Now the door is opened so take the opportunity to further develop a relationship with this person. Remember it may not mean immediate rewards but you will have a stronger, broader network. Such network, research indicates, will have long lasting benefits.

Hope you enjoy this month's edition. Remember that I also post other information on both Twitter and Facebook.

Hope to see you at Marketplace of Ideas. I plan on being there doing some networking.

Till next time,
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MORE INFORMATION

Website: www.ag.ndsu.edu/smallbusines
Facebook: www.facebook.com/NDSUextsmallbiz
Twitter: www.twitter.com/gmuske

Still Time

Oct 28th and 29th – Marketplace of Ideas – Bismarck - <http://bit.ly/qfM8mw>

12/2/11 - 2011 NC Region Farmer Rancher SARE proposal due – See last month's newsletter or <http://bit.ly/pkDONE>

Entrepreneurs and Their Communities – An eXtension Community

Focused on helping small business owners, entrepreneurs and communities with information, archived webinars and tools plus an “Ask the Expert” opportunity. Check out: <http://www.extension.org/entrepreneurship>.

Charitable Donations and Your Business

If you own a small business you can expect to be contacted multiple times during a year and asked to provide a donation. It may be a cash donation or a donation of products and/or services. And as a community supporter you probably would like giving to many of the requests. The question becomes how much do you give and to whom? As a business owner you know you would like some return on your investment yet donations can impact your bottom line. Yet you also understand you have community social responsibility and that your return may be long-term and may come in the form of good will and community respect.

So what guidelines can be offered? The first comment is a note of caution. While most of the requests are legitimate, you need to ensure that the group does exist and that the money will go to the designated cause. The Better Business Bureau offers information or you can contact the Secretary of State’s Office to ensure they are registered.

A second recommendation is to set a budget for donations for the year. This can be a percent of sales or profits (you determine what you can afford – that determination should be guided by your budget). Everyone can understand if your budget for donations has been used up for a given year.

The National Federation of Independent Businesses offers some additional guidance:

- Determine your personal commitment
- Target a new audience
- Value legitimacy and beware solicitations

See the complete article at: <http://bit.ly/qmnciK>

Things you may wish to think about are: is there a link between the organization and your business; will you be visible among those who give; do you have a record of past gifts (and as with any marketing expenditure, what has been the return on the investment) and will your gift be recognized by community members?

For some additional thoughts on this subject, check out the fact sheet from Oklahoma State University Extension, “How to survive when you are being \$100 to death...”

<http://osufacts.okstate.edu/docushare/dsweb/Get/Document-1696/CR-961.pdf>

Watching the Competition – A Growing Trend: Free Shipping

“Nearly *half of transactions last year involved free shipping*, and 61 percent of consumers say they will cancel their purchase if free shipping isn’t offered, according to a recent comScore survey”

Does that sentence catch your attention? Do you know what your competition is doing? Check out the article. You will find seven ways that free shipping might be offered. Do you need to consider one of these? <http://www.entrepreneur.com/blog/220215>

The New 4 P's for Marketing Your Business

Check out this article that suggests redefining the 4 P's which form the basis for marketing your business. While the old set, product, price, place and promotion, are still applicable, this proposed new set, passion, positioning, purpose and personality, can help you retain and build your customer based in light of rapidly changing markets, growing competition, and a growing unknown. <http://www.ducttapemarketing.com/blog/2011/09/12/the-4ps-of-a-fully-alive-business/>

Business model – Business Plans: Key is Flexibility/Adaptability

I have had the privilege of meeting Dr. Cornwall. I enjoy his business perspective. In this article he discusses what he views are the differences in business models as opposed to business plans. His key distinguishing difference are that models (I would argue the same is true for business plans – however because they are so often reduced to writing we think of them as unchangeable.) must be flexible or as he notes have the ability to pivot. But most importantly, he identifies that you must pivot with a purpose. Read the article for more of his insights. <http://www.drjeffcornwall.com/2011/09/pivot-with.html>

Working with Your Banker

Mention the word “banker” to many small business owners as well as potential owners and a typical response is one of nervousness. The common impression is that bankers are looking for ways not to lend you the money you need. In reality, the opposite is true – bankers want to lend money, it is their business. But they do it while trying to minimize the risks.

So what are some tips in working with your banker. A book, Small Business Management: Entrepreneurship and Beyond, offers some tips for developing a productive relationship with your banker. Some of those tips include:

- Be prepared to put up some of your own assets. Bankers want to see you are involved and at risk just like them.
- Start talking with your banker well before you have a need for help. They need to learn about you, your company, your plans and your ideas.
- When asking for funds, be prepared to explain how their investment will purchase assets that can, in turn, help pay back the loan.
- Have routine meetings with your banker to keep him or her up-to-date. And do not surprise them. If problems are developing, let them know immediately.
- Be timely with your payments. If you are going to be late, let them know as early as possible and give a specific date for when the payment will be made.
- Give your banker all your business – loans, deposits, and personal accounts.

Pricing: Is Cheaper the Correct Strategy:

Just the other day, I mailed out a press release providing some thoughts on pricing your product and/or service. Today a related article came across my desk from Entrepreneur, “Why You Don't Want to be the Low Cost Leader.” The article supports one of my thoughts of knowing what your objectives are when pricing. It reinforces also the idea that price is not a sustainable competitive advantage generally (WalMart has been able to achieve that goal but they are a rare exception). Read the article for more information -

<http://www.entrepreneur.com/article/220211>

Quote of the month

Save your rejections so that later when you are famous you can show them to people and laugh
- Meg Cabot

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