

Don't Overlook Key Business Development Moves

Running a small business seems like a daunting task.

The business owner has a multitude of tasks to do, and they all seem to need to be done at the same time.

“Lots of advice is available on what these tasks are,” says (Insert name) of (Insert title and county). “Sometimes in the rush, small-business owners may overlook some key business moves.”

One oversight for many business owners is failing to research their idea sufficiently. Often, the panel of experts the owner depends on is family and friends, people who are prone to agree with the idea and like the owner on a personal basis.

What the owner needs, especially at the startup phase of the business or a new product line, is a critical eye. Questions that need to be asked include: Where is the market? Who is the market? Has the idea been tested?

Knowing who the competitors are and what your competitive advantage is also is important. But an even more important question, is this an advantage you can maintain? In addition to looking at your competitors, the small-business owner must examine the industry in general. The goal is to build in an industry that is a trend, not a fad, and is growing and not on the decline.

“A second piece of advice that I might offer to business owners is to focus on profits and not simply on revenues,” says Glenn Muske, the North Dakota State University Extension Service’s rural and agribusiness enterprise development specialist. “Often, business owners focus on increasing the amount of dollars coming in the front door. Growing numbers are an appealing measure.

“What owners fail to consider, though, is what it costs to get those revenues,” Muske adds. “This occurs when a good cost tracking system is either not in place or often the numbers are there, but fiscal reports are not done on a timely basis.”

Small-business owners need to understand that startups are not profitable right away. Profitability may be three to five years down the road. But businesses only stay in business in the long run by making a profit. Thus, the profit motive must be in place from day one. This means owners must be honest with themselves regarding all of the costs of staying in business.

“The third important business move may be the hardest of all,” says (Last Name). “Businesses owners in the early phase of a business are often very passionate and have a tremendous drive to keep going. And that desire to never give up is crucial.”

Yet, the business owner also must be realistic and know when he or she needs to close the business and move on to something else. The decision to no longer put money into one’s lifetime

dream is hard. But continuing to pour money into the business is foolish when the business is not growing or responding as expected in the business plan.

“Owners look at this as failure, and failure is a hard thing to take,” says Muske. “But the owner who has a greater likelihood of succeeding in some type of business just sees it as a learning experience. Part of his or her plan is to know when, in terms of dollars, time or some combination of both, to move on to his or her next idea.”

For more information on business development, visit NDSU’s small-business website at www.ag.ndsu.edu/smallbusiness. Sign up for the monthly newsletter. You also can contact your local Extension Service office at [insert phone number and email address] or visit www.eXtension.org/entrepreneurship.

Small Business Development Centers are another source for helping business owners develop the business plan that can guide them through the tough decisions. Also check out other federal and state resources such as the Small Business Administration, SCORE and the North Dakota secretary of state’s business registration page at www.nd.gov/sos/businessserv/.

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