

## Secrets That Most Small Businesses Will Never Know



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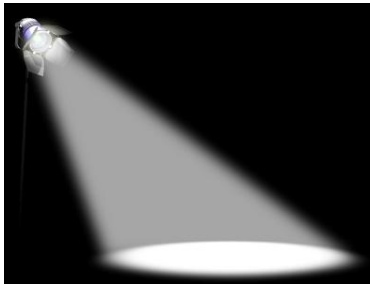
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# 80% of Small Business Owners Will FAIL in Their First Five Years of Business...

Bureau of Statistics

## FOCUS



Most Small Business owners fail to realise that although they are now the boss, the business must still be run professionally. They allow many interruptions that would not be acceptable in mainstream employment.

- Personal calls
- Visits from family and friends
- Surfing the net
- Procrastination

Yes I hear you say that the reason you chose to start your own business was that you wanted the time and flexibility to work around the family or other ventures.

However if not managed well, your business will be in the 80% of small businesses that fail in the first 5 years.

*In the absence of clearly defined goals, we become  
strangely loyal to performing daily acts of trivia.*

*Author Unknown*



## **Step 1.** Your Purpose/Vision

You must firstly determine the true purpose of having your business. Create your vision.

Have you noticed that a large percentage of big businesses have their “Vision Statement” clearly displayed as a reminder to their clients of what they can expect to receive and a reminder to the staff of what is expected? They may also encourage the staff to create personal “Vision Boards” displaying their purpose for achieving goals in their careers? These boards sometimes display pictures of the house they want to buy, a car they dream of, and an overseas holiday. This is a clear visual reminder of the purpose of their choice to succeed at work.

So I suggest you purchase a cork board and have fun (with the family if you like) of finding pictures and slogans of the things you would love to have, places you would like to visit. Set dates of when you would like to have these by. Each day you will be reminded of the purpose of focusing on the tasks ahead.

Determine how much you need to earn in the year, month, week and hour to achieve these goals.

Now as the big businesses do, you must clearly break down what you need to do to achieve these goals.

- How many sales you have to make
- How you will achieve that

Determine what tasks you can outsource. For example; compare the cost of getting a cleaner or a gardener to the value of you spending that time in a much more productive

way on your business. Will this move you towards your goal faster? Getting the family involved to cover your home tasks may move you toward your goal even faster.



## **Step 2. Boundaries**

**Set your work hours:** This may seem contradictory to the reason you chose to start in business. However by setting your work hours you can be more productive. (I will let you change this for very special occasions).

Inform your friends and family that that although you are now self employed, you still have set days and hours that are allocated to that purpose. Make your dentist, doctor, hairdresser etc appointments as though you were working 9-5. You would be surprised how much they eat into your work week.

If you receive a personal call, politely tell them that you are busy at the moment and will call them back at lunch. Or better still, let it go to voicemail and only answer those that you absolutely have to.

If you can have a separate office away from home that is great. Put the word out that you are looking to share an office, sometimes solo operators are lonely and would love to share their space. However if you have chosen to work from home you need to be particularly disciplined.



### **Step 3. Your Workspace**

Set aside a professional dedicated workspace. If you can, have a dedicated room. Maybe you can clear a place in your garage.

It may even be an advantage to have a small office built in the back yard. Some of those companies that build “Granny Flats” has small choices that are very reasonable. This may be tax deductible. (Check with your accountant)

Another benefit of having a small area separate from the house is that you can leave the house and go to your work place. Mentally it is wonderful to create that mindset and focus.

Your productivity will go through the roof if you do these simple things.

It also means when you are at work you can focus on work. And when you finish for the day you can relax.

## S.M.A.R.T. GOAL SETTING



In business this is known as Budgets. Reaching KPI's . (Key Performance Indicators). Each department is given goals it is expected to achieve. Although you are now in your own business, the principals of success are still the same.

*That which you can measure you can manage.*

Your yearly goals determine your 90 day goals, which determine your monthly goals, which determine your weekly tasks which determine how you will (choose) to spend your day.

I am going to share with you how to set goals that will allow you to tap into the secret that successful people use when creating their dreams. If you learn and apply this system then you will have unlocked the secret to becoming part of the 3-5% of the population who are successful.

Success Psychologist say that 95-97% of the population do not have written goals and fail. That means the successful ones have written goals. That makes what I am going to show you invaluable.

You will learn here today the steps to move you into the top 3-5% of successful people.

## S.M.A.R.T. Goals

**S.M.A.R.T.** is an acronym used to outline the process for setting goals.

**S. Simple/ Specific.** You need to be really specific, that is state exactly what you want to achieve.

**M. Measurable/Meaningful.** They need to be measurable – how will you know you've achieved your goal? What will be your evidence? Also make it meaningful, it must be attractive to you.

**A. As if now.** Write it as if now. E.g. it is Dec 2011 and I am standing on my boat, with champagne, etc, write who is with you, how much you have earned, create a clear picture adding how you feel, what others are saying, what you are saying.

The reason for this is that the brain will now have a clear picture of what you want it to search for Have you ever seen a car that you really like? You had never noticed that car before, but now there seems to be lots of them.

Did you create lots of cars just by imagining it? No, of course not.

The brain can only process between 5 to 9 chunks of information at once.

Now that you have told it to look for that car it obeys and suddenly you notice it everywhere.

So with your clear picture, the brain will obey and see opportunities where once you may not have noticed previously.

**R. Realistic** – within reach yet still a stretch, with an incremental plan for getting there.

You wouldn't say for example It is Jan 20\_\_ I am 40 years old and I am playing tennis in the Australian Open If you have never picked up a racquet

You could say, It is Jan 2011 and I am living my dream career coaching tennis.

**T. Timed** – Your goals will need to have a timeframe – when will you achieve this goal



One more letter to add to the acronym is

**A. for action**, unless you take action now it becomes just another dream.  
That means we have S.M.A.R.T.A Goals.

Now this is a really cool part, I want you to go to a nice quiet spot, somewhere you can dream without interruption.

Picture yourself in one year, having achieved a really meaningful goal. Be really clear, as the subconscious is really obedient and loves to follow orders, if you give it clear directions it will seek out and follow, paradoxically if you give it the wrong instructions you will get what you focus on.

Write down your goals with measurable markers throughout the year. One of the most important steps is write it as if now, remembering to really stretch yourself.

You can achieve much more than you think. Make it one year from today. Once you get the hang of it you will use this to achieve all of your goals. You will then feel happier knowing that you are the creator of your life and outcomes. Imagine passing this skill on to your friends or family? What could you achieve together?

Getting children particularly to set achievable goals that are documented that they can reflect on can help increase their confidence.

So go on go to the next page and have fun, really dream and get into the feelings build that excitement right in your chest or stomach, see the colours vividly, what will you tell yourself, now listen to what others are saying.



- Circle one of your goals that if you were to achieve just that one, would make a huge difference in your life, put a completion date on it.
- Make a list of everything you can think of that you need to do to achieve that goal.
- Prioritise the list
- Create a 90 day plan, a 30 day plan
- Create a weekly plan. Prioritise your days to achieve this goal
- Do at least 3 things everyday towards achieving that goal
- Take action NOW,
- Realise that for every day you fail to action it, puts you two days behind the goal.

**Time is like gold dust**

**If you let it slip through your fingers it will be blown away with the wind.  
If you capture it and invest it wisely you will have great wealth.**

**Ivy Stewart**

Author Brian Tracey says “ In study after study of men and women who get paid more and promoted faster, the quality of “action orientation” stands out as the most observable and consistent behaviour they demonstrate in everything they do. Successful, effective people are those who launch directly into their major tasks and then discipline themselves to work steadily and single-mindedly until those tasks are complete”.

It has been said for many years that if the first thing you do each morning is to eat a live frog, you can go through the day with the satisfaction of knowing that that is probably the worst thing that is going to happen to you all day long.

Your “frog” is your biggest, most important task, the one you are most likely to procrastinate on if you don’t do something about it now. It is also the one task that can have the greatest positive impact on your life and results at the moment.

It has also been said, “If you have to eat two frogs, eat the ugliest one first.”

# MARKETING



Is not a dirty word. And it need not be expensive. It can be fun.

No need to spend many thousands of dollars to achieve amazing results.

What we need to do is determine our target market.

You can spend a lot of money trying to appeal to everyone or you can really target your marketing to the exact match for your product.

Driving sales to your door with the hit and miss approach is like trying to find a needle in a haystack. Or you can tailor your marketing so that making sales is akin to shoppers at the door of Myer on Boxing Day.

This is a very powerful exercise, it assists you in getting really clear on who your customer is, what they want need and are willing to pay for. When you know what keeps them awake at night, you can then set about learning everything you need to help solve their “Problem”.

Your wording in advertising can speak directly to your Avatar (or not).  
**“We take care of your best friend, your companion in the comfort of your own home”** as opposed to **“Get your dog washed at your house”**.  
For the dog lover they really see their pet as part of the family, and your marketing needs to reflect that love and care. This simple distinction can be the difference between success and failure.

E.g. “Dog Wash” Sounds simple. But is it?

What does the owner want? Convenience, price or do they really want someone who knows and loves their pet?

What are your competitors offering? What can you offer that sets you above them?

Never compete on price, only on service.

Have a mindset of quality and service.

### **Relationships:**



Delivering over and above the rest of your competitors is one of the most powerful rules in business. Customer can get their goods anywhere and possibly at a cheaper price, but what will set you apart is the relationship you build with them. You give them exceptional service and they continue to give you business.

Have a heart for your customer. The simple act of going the extra mile and remembering things they may have told you about their personal life. What they love, their interests. You need to be genuinely interested in them.

This is what has helped us maintain clients in our business for over 17 years.

## **Testimonials:**



Testimonials on your website and in brochures are very powerful. People need social proof that what you say you will deliver. Having a video testimonial is doubly effective as anyone can write a testimonial and place it on their website or brochure.



## **Website Building**

There are some great options out there to build your own website. You do not need to spend more than \$3,000 for your website. Some small businesses have fallen into the trap of trying to have a website designer create a whiz bang site for them only to find that every little change they make costs around \$700 to implement

We at Small Business Services have interactive workshops with maximum of 10 people, where we show you how to create and maintain your own website. Once you have learnt this process you can create as many websites as you like for under \$100.

I hear you ask “why do I need more than one website?” Remember we talked about knowing your Avatar. Imagine if your service was suitable to a range of Avatars. Having individual websites aimed specifically at each Avatar is beneficial. You can speak their language, aim products specifically to them.

## Social Media.



Using social media can be a powerful way to advertise.

Did you know that if **Facebook** was a country it would be the 3<sup>rd</sup> largest country in the world?

Asking your friends on Facebook to recommend you to their friends is free and very powerful as it comes with social proof. Why do we need Social Proof? Do you ask friends to recommend a restaurant, a health professional etc? We trust our friends to be honest about their experiences and value their opinions. So this is one way to get your name out there.

Did you know that you can advertise with Facebook, it is very direct and targeted to specific users?

You can choose the country you want, the age range, the sex, their interests. And it tells you approx how many people it will reach. It is pay per click and very reasonable.

Compare that to advertising in the local paper and hoping that the right person reads your advertisement.

Read the requirements for advertising. They will only approve your ad if it meets all requirements.

Advertising on **Google** is also powerful, however they are very strict and if you do not meet their requirements they will certainly let you know about it. Learn as much as you can before advertising with Google

**LinkedIn** is a professional social media group. Again the advertising is very reasonable and targeted.

**Youtube** Is increasingly popular medium for people searching for information. Have you gone to YouTube to see “How To” anything? If you can create a short video describing your product, you will add to your credibility with Google.

## FINANCES



**This has hung many businesses out to dry. (Excuse the pun)**

I know I know it's not very exciting, however did you know that if you do not keep accurate financial records the ATO will penalise you. When hiring someone, they must be qualified.

I have consulted with a lot of small businesses over the years that have not kept accurate records, and are unaware



(or have put head in the sand) of how their business is really travelling. When they discovered how much they actually owed to the ATO it put a huge strain on the cash flow and unfortunately caused some to close the doors.

They had failed to educate themselves as to what obligations they were required to meet and were fined heavily as a consequence.

The longer you leave it the harsher the ATO are.



## **Ignorance is not a defence.**

Keeping accurate records is a must when running your own business. You can pinpoint what is draining your business; you will have a clear picture of what is making good profit for you. More cash for you \$\$\$

Recording Cost of Goods (purchases of materials or Contractors) accurately you can easily see what materials are costing you the most. Knowing how much you spend with each supplier gives you the power to renegotiate a better price. With the push of a button you will have a report of how much you spend with each supplier, putting you in a stronger position to negotiate with your suppliers for a better purchasing power. It will highlight more cost effective ways to produce or deliver your products. You can then have a look at alternative time effective ways of producing your goods. Meaning even more \$\$\$

Recording accurate expenses such as telephone, electricity, maintenance gives you the clarity on where you can streamline fixed costs.

Should the day come that you want to sell your business. (You should always build your business with the view to being able to sell it one day)

The prospective buyer will want to know exactly who your best clients are, what percentage of sales they generate. What areas are the most profitable? Do you have a history of what they purchased? How much did they pay. How much did it cost you to deliver that? Do you have their phone numbers, addresses, emails etc? What would you want if you were looking to buy a business?

If you are keeping your records on a program such as MYOB or Quickbooks you access all of these figures at the push of a button.

## **BAS**

Business Activity Statements are a breeze when you are keeping accurate records. This too can be produced at the push of a button.

Start In Business holds workshops or personal teaching for MYOB. This is an interactive environment. You must bring your laptop with your MYOB software installed. You also bring some of your Purchase invoices and Sales Invoices etc. At the end of the day you will be operating and understanding how to keep your accounts. You will now have a file at the end of each financial year that you can just email to your accountant. Saving him time and you a lot of money.

## **Bank Reconciliation**

This must be done monthly, it helps you have clean records for your BAS and avoids any call to clients you THINK may have missed a payment when it was actually a record keeping error. Do not ring a client for unpaid funds unless you have done your bank reconciliation.

An upset client can damage your bottom line.

## **Credit Control**

The health of your business is dependant upon your clients paying on time.

- Have clearly defined payment terms on the invoices.
- Follow up on unpaid funds immediately
- Be friendly and confident
- Have your facts and keep an accurate log on all calls
- Get a date from them of when they will pay
- Follow up on the day after if it is not paid
- Remember you are not a free lending option

A good line on the phone to use: “Hi .....It appears by my records that your account is overdue, I was just wondering if you could check for me”.

(Experience tells me that sometimes I have made the error (lol) or that they have deposited with no reference, give them the chance to explain. Backing them into a corner only creates defensiveness. Better to have a client who can be open and honest about their situation. Increasing your chances of getting paid first when their cash flow has eased)

# LEGAL OBLIGATIONS and STRUCTURES



Are you a Sole Operator?  
Do clients come to your Home?

Speak to your Insurance Company regarding Public Liability, ignoring this could cost you everything you have worked for.

Speak to your accountant regarding whether registering as a company as opposed to a sole trader would be of the best benefit to you. Not only tax wise but also from a protection of your assets are concerned.

Registering as a company may come with regular reporting but also brings a level of protection that being a sole trader does not.

It is much cheaper these days to register as a company.

Do you have employees? Are they contractors?

Did you know that you must pay superannuation for employees (full time, part time and casual? (and some contractors) How much Superannuation?

Check our website for links.

I trust that this information has given you useful information on key issues that Most Small Businesses do not know. It will assist you to build an even stronger business.

Please seek independent advice

