

Southeastern MA Regional SBDC Newsletter

Contributing to the Economic & Entrepreneurial Growth in Massachusetts Since 1980

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Small Business Cash Flow

If there is one thing that will make or break a small business, it is cash flow. Small *business owners live and die for cash flow*. Depending on the size of the business, business owners' anxieties range from "Am I making payroll?", "Can I pay my bills this month?" to "Am I paying myself for my efforts and my investment?"

The biggest mistake small business owners can make is not keeping their finger on the pulse of *cash balance and cash flow*. If you don't monitor cash balances and cash flows monthly, you will have a huge problem before you know it. You need to *pay attention* to this every single day.

How do you *stay in control*?

- **Find a good software package:** Know the difference between good and bad programs. A good product will enable you to *keep an eye on cash and operating expenses*. It should *generate monthly reports*, rather than quarterly or semi-annual assessments of cash.
- **Follow your business plan:** You should have an outline that defines the relationship between your personal and business assets. It should include templates and *reports that keep you apprised of how much capital you need and how many months your existing capital will last*. Know what your *burn rate* is.
- **Understand your business's economics:** You must *know the difference between what makes you money versus what is costing you money*. Don't manage your top and bottom lines separately.
- **Emotional attachment:** Place a limit on the amount of money you are willing to personally invest into your business. Know when *enough is enough*; you *do not want to deplete all of your assets into a failing business*. You must *know when to stop*.

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The Southeastern Massachusetts Regional Small Business Development Center (SBDC) is a counseling center of the Massachusetts Small Business Development Center Network. The SBDC provides free and confidential one-on-one management counseling to the small business community in Southeastern Massachusetts in the counties of Bristol, Barnstable, Dukes, Nantucket, Plymouth and part of Norfolk.

SBDC assistance is tailored to the needs of individual clients. Our mission is to support the future success of your business.

Management Counseling Services include, but are not limited to:

- Start-up Businesses
- Business Plan Development
- Financial Plan Development
- Marketing & Sales Strategies
- Cash Flow Analysis
- Organizational & Personnel Issues
- Government Procurement Assistance
- Minority Business Assistance
- International Trade Assistance

SBDC Staff Members

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Client Service Coordinator

- **Develop new business:** Generate a monthly report on key prospects for your business. If you have a month with no new clients, you can predict that 90 days down the road you may have a cash flow problem. *Track the number of new contacts, ongoing leads and new clients.*
- **Don't get caught off guard:** *Pay attention to your reports.* One negative report is easy to overlook, but three months in a row may reflect a decrease in your profitability, which is a problem you will have to address.
- **Measure your progress:** This will enable you to not only move forward, but will help you understand whether you are on or off target from both revenue and operating perspectives. Did the revenue come from where you thought it would? If not, you need to *understand what happened* and decide whether you need to change your business assumptions.

It is of utmost importance that you *make conscious decisions* about your business, not just go along and watch things happen. Make the time to *meet with your personal banker, SBDC counselor and accountant*; they are your biggest resources. It is crucial to the success of your business to *be prepared*.

Spotlight

In order to accommodate increased demand for our services to South Coast entrepreneurs, we are pleased to announce the addition of a new resource to our local SBDC team. **Mark R. Allio**, who serves as Management Counselor and Interim Director with the **SBDC at UMass Boston**, is now serving clients from our Fall River office as well. Mark has 25 years experience as an entrepreneur, administrator, and strategy consultant. As an entrepreneur, Mark co-founded two business ventures - **TracRac**, a Fall River-based manufacturer of automotive accessories, and **Virtuous.com**, a Rhode Island-based e-ticketing service provider serving the arts and entertainment industry. As an administrator, he held senior posts in the non-profit sector, serving as Executive Director of the Armenian Library and Museum of America, Director of Finance & Administration for The Computer Museum of Boston and Managing Director of the Boston Center for the Arts. As a strategy consultant, he developed and implemented corporate and business strategy programs for a broad spectrum of clients in such industries as financial services, utility, food & beverage distribution, and consumer and industrial products. Mark holds an MBA from Babson College. He lives with his family in Barrington, RI.

FAQ's

Q: Do I really need a website for my business?

A: Absolutely: Yes! The Internet has changed the way we buy and sell products and services as well as the way we seek and obtain information. With the vast increase in usage of the Internet, prospering in today's marketing requires an Internet presence.

The main goal of your business is to create customers! And, in this hyper-competitive business environment your business won't succeed if not enough customers know what your business offers them and what it does for them. To increase your business transactions (a goal of marketing) and to reach every corner of the world, the most effective, efficient and cheapest medium is a website. A website is the easiest way of telling the widest audience about your business: 24 hours a day, seven days a week, every day of the year.

A website has become nearly as essential as a printed brochure, a telephone, and may be more important than a fax machine. Even if you don't plan to sell your products or services online, a website will get your name and your brand identity out there. More and more people would rather search the Web rather than go to the Yellow Pages; it's easier and faster with search engines like Google even if you don't actually know the exact address or Uniform Resource Locator (URL) of the company you are seeking.

The Internet is a great way to promote your company by sharing your ideas, information and knowledge in your market area: or even all over the world. Your website is your online sales representative and is part of the brand identity of your business; and if you use it properly it is a great marketing tool to bring in new business and stay connected to your (very important and valuable) current customers.

A well done website can give your business the appearance of success. It levels the playing field with many of the bigger companies. If your website is easily found and contains good usable information it will boost your sales revenue no matter what you are selling.

To make a mailing to your customers can cost as much as a dollar per piece sent. An eNewsletter costs almost nothing; and you can contact hundreds or thousands of prospects instantly. Customer Relationship Management (CRM) is critical to the financial success of every business.

Your website will work for you 24/7, every day of the year. It's like having a salesperson that never calls in sick or takes any time off even for a vacation.

CALENDAR OF EVENTS

ENTREPRENEURIAL WORKSHOPS are repeated in a different location once a month. For reservations & directions please contact: Tamarah Barao @ SEED 508-822-1020. Costs for trainings are FREE.

Session I: Learn the fundamentals of planning, preparing for & financing your business.

Session II: Learn to understand financial statements how they help to determine the health of your business.

Session I: Tues. October 10 **Time:** 9:00 AM – 12:00 PM

Session II: Tues. October 10 **Time:** 1:00 PM – 4:00 PM

Location: Christina's, 2 Washington Street, Foxboro, MA.

Session I: Tues. October 17 **Time:** 9:00 AM – 12:00 PM

Session II: Tues. October 17 **Time:** 1:00 PM – 4:00 PM

Location: Plymouth Chamber, 10 Cordage Park, Plymouth MA.

Session I: Thurs. October 19 **Time:** 5:30 PM – 8:30 PM

Session II: Thurs. October 26 **Time:** 5:30 PM – 8:30 PM

Location: SEED Corp., 80 Dean Street, Taunton MA.

Session I: Tues. November 7 **Time:** 9:00 AM – 12:00 PM

Session II: Tues. November 14 **Time:** 10:00 AM – 1:00 PM

Location: Attleboro Chamber, 42 Union Street, Attleboro, MA.

EntreCenter Workshop Series: The EntreCenter in Hyannis MA will be hosting a series of informational seminars for small business owners. For more information please visit their website: www.entrecenter.org

Building Your Customer Base Electronically: Sept. 28

Energy Solutions – From Micro to Macro: Oct. 13

Year-End Decisions That Impact Your Tax Return: Oct. 19

Legal: Forming & Protecting Your Business & You: Oct. 26

Location: Holiday Inn, Route 132, Hyannis MA.

Time: 7:30 AM – 9:30 AM **Cost:** \$35.00 **RSVP:** 508-362-5709

E-Newsletters Your Customers Will Read: Nov. 30

Location: Holiday Inn, Route 132, Hyannis MA

Time: 8:00 AM – 12:00 PM **Cost:** \$125.00 **RSVP:** 508-362-5709

MA Health Care Reform & Worker's Compensation: Oct. 27

The New Bedford Economic Development Council & La Pointe Insurance will conduct a seminar on health care reform and worker's compensation in Massachusetts, focusing on how the new regulations affect business owners.

Location: 1213 Purchase Street, 3rd Floor, New Bedford, MA

Time: 8:00 AM – 9:30 AM **Cost:** FREE **RSVP:** 508-991-3122 Ext. 12

CENTER FOR MARKETING RESEARCH (CMR) OFFERS SBDC CLIENTS MARKET RESEARCH SUPPORT

Management of any business, to be successful, must possess current and reliable information regarding both theirs and their competitor's market. Only by knowing its customer's wants and needs will a company be capable of devising a marketing strategy that will result in people buying its products and/or services instead of its competitors. Market research will provide timely, solid and objective data regarding existing and potential markets and customers, thereby minimizing risk and significantly improving chances of success.

Since its inception in 1999, the CMR has provided marketing research at affordable fees to hundreds of local, state and national businesses. Its reputation for providing superior data combined with expert analysis at a very affordable cost is well known in business circles.

The CMR is now accepting applications for market research to be conducted during the January – May, 2007 time frame. To explore this opportunity, please contact Center Director, Dr. Nora Ganim Barnes by calling 508-999-8756 or email her at nbarnes@umassd.edu.

Visit the CMR web page at www.umassd.edu/cmr

To better serve the Massachusetts small business community, the Southeastern Massachusetts Regional SBDC has outreach sites in conjunction with chambers of commerce and economic development entities.

Attleboro Chamber

North Attleboro Chamber

Falmouth Chamber

Yarmouth Chamber

Plymouth Chamber

Tri Town Chamber

Cape Cod Chamber

Metro South Chamber

New Bedford Quest Center

For general information, training information or to make an appointment, please contact Tammi A. Jacobsen at extension 104 or please go to our website:

www.msbdc.org/semass

"The Massachusetts Small Business Development Center Network is a partnership program with the U.S. Small Business Administration and the Massachusetts Department of Business and Technology under cooperative agreement 6-603001-Z-0022-26 through the University of Massachusetts Amherst. SBDCs are a program supported by the U. S. Small Business Administration and extended to the public on a non-discriminatory basis. SBA cannot endorse any products, opinions or services of any external parties or activities. Reasonable accommodations for persons with disabilities will be made, if requested at least two weeks in advance. For further information, contact the Fall River SBDC office at (508) 673-9783."



U.S. Small Business Administration



"Funded in part through a cooperative agreement with the SBA"