

BizTips...E-News

Small Business Development Center

Blue Mountain Community College - Member of the Oregon BizCenter Network www.bizcenter.org



For all your business needs—make us your first stop!

We Serve:
Baker, Morrow, and Umatilla counties

Websites:
www.bizcenter.org
and www.bluecc.edu/businessindustry

Our office hours vary, we recommend you call prior to visiting any of our office locations.

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(541) 276-6233

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By Appointment Only

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Should You Start a Home-Based Business? 2009 New Year Brings New Opportunities!



There are a number of reasons to consider starting a home based business during the present recession. Operating from a spare bedroom or garage, a business can be started and run with a minimum of investment and risk--and not interfere with your regular job! Here are some considerations:

- Rule number one: Don't quit your job! You can start without burning your bridges of job income and benefits.
- A home based business can provide a source of income to supplement your job or replace the job in case it disappears.

Internet based e-commerce businesses work especially well for home based firms. You can get family members involved during hours you're on the regular job.

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Some "DON'TS" to keep in mind:

- **Don't** compete with your employer or conduct business on your employer's time. The home based business must lend itself to being compartmentalized well away from your job.
- **Don't** make mistakes. To learn how to avoid mistakes in all the important disciplines necessary to operate a business, go to the free MOBI course at www.myownbusiness.org

Don't overlook the use of a check off list. See the free MOBI Start-Up Kit at http://www.myownbusiness.org/start_a_business_kit.html

Article from,
www.MyOwnBusiness.org

A smooth sea never made a successful mariner.

Benjamin Franklin

We must become the change we want to see.

Mahatma Gandhi



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How to avoid running out of cash during the present recession...

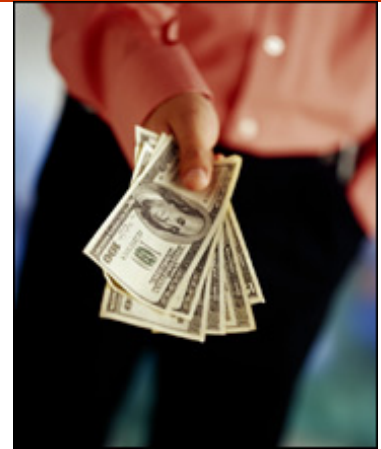
This article is from My Own Business October Newsletter:

www.myownbusiness.org

As the present recession lengthens, your customers will have less money to spend which will most likely result in declining sales.

Your key to survival will be not to run out of cash.

"Cash flow control" is a simple method to project what your cash balances will be over future periods of time.



Here is a survival plan for you to consider:

Using a spread sheet of income and expenses, project your cash balances for each of the next six months, using sales estimates that are lower than your present level. You could make two projections, one for sales at 80% of present level and one for 60%.

If future months show any negative cash balances, start now to begin reducing whatever expenses are necessary to maintain positive cash balances. Since payroll is a major expense, you must be disciplined to make the required reductions, keeping you're best employees and trimming the poor performers. In addition to reducing purchases and expenses, look into other ways of generating cash by negotiating agreements to stretch out accounts payables and loans. Or, look into help from family or friends or the use of personal credit cards. Don't wait until your cash flow is negative, when it will be too late.

Don't cut the value or quality of your products or services. Make them even better.

Look for opportunities in adversity. The best bargains and business acquisitions become available during recessions.

Remember that business cycles have ups and downs. Provided your business has good long-term prospects and it's something you love to do, stick with it and ride out the present downturn.

To learn how to prepare your cash flow projection, go to:

<http://www.myownbusiness.org/s7/index.html>. If you would like some hands-on assistance, call our SBDC office toll free 1-888-441-7232 and schedule a free, private, one-on-one, counseling appointment with one of our certified business counselors.

"The SBDC is partially funded by the U.S. Small Business Administration (SBA). SBA's funding is not an endorsement of any products, opinions, or services. All SBA funded programs are extended to the public on a nondiscriminatory basis.

Special arrangements for handicapped individuals will be made if requested in advance.

Contact the SBDC toll free, 1-888-441-7232.





BizTips: Art Hill, Vice President BMCC Customized Training and Small Business Development Center. To read recent articles go to www.bluecc.edu/businessindustry and select Biz-Tips Articles. All articles Copyright©2006Arthur J. Hill All rights reserved.

NEVER UNDERESTIMATE THE VALUE OF NETWORKING:

How many times have you heard “It’s not what you know, it’s who you know!” Sometimes it’s a sarcastic comment that someone with influence got something they didn’t deserve. But it can also be a celebration of successful teamwork or simply an acknowledgement that we can accomplish more together than alone.

Almost without exception, everyone has a substantial list of family, friends, co-workers, and acquaintances. Even the most reclusive person eventually comes out of hiding to face the extreme customer service at their local Safeway or Les Schwab. I’ll bet once the cashier reads their name from the register receipt at least five other customers know who they are.

Surely that kind of networking doesn’t help us in business...or does it? The answer is that every single contact with another person has the potential to help both us and them, not only in business but throughout life.

To read this entire article go to, www.bluecc.edu/businessindustry, select BizTips Articles, April 6, 2008.

Web site pick for January:



www.bnet.com BNET was created with a simple goal in mind: to provide business professionals with the tools, advice, and insight they need to succeed in today's workplace. At the top of each page on the BNET site, you'll find a set of navigational tabs to help you zero-in on the information you need:

TODAY: The BNET home page offers news, stock information, and featured articles <http://www.bnet.com/>

MANAGEMENT: A one-stop shop for advice on working effectively with others
http://www.bnet.com/2405-13055_23-41874.html

STRATEGY: Tips and tools for improving your firm's competitive positioning
http://www.bnet.com/2405-13060_23-41877.html

INSIGHT: The place to go for daily observations and worldly wisdom from BNET's featured columnists
<http://blogs.bnet.com/>

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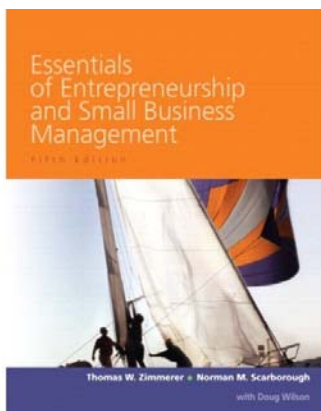
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BOOK CHOICE FOR JANUARY 2009:

ESSENTIALS OF ENTREPRENEURSHIP AND SMALL BUSINESS MANAGEMENT. Order at, www.amazon.com

Product Description

This fifth edition of the popular book introduces you to the processes of new venture creation and the critical knowledge needed to manage your business once it is formed. With the help of this book, readers can follow their dreams of becoming successful entrepreneurs. Topics include: the challenges of entrepreneurship, building a business plan, marketing considerations, e-commerce and the entrepreneur, advertising and pricing for profit, financial considerations and managing cash flow, building a competitive edge, and debt/equity and site and location considerations. For any person interested in owning, operating, and managing a small business. Also a handy reference for entrepreneurs and managers of businesses.



Small Businesses Can Face Economic Cycles With Confidence

Dealing with an uncertain economy is never easy, especially for small businesses. Unlike their larger counterparts, small businesses rarely have the resources to monitor and take corrective action for every trend and issue. And even those owners who have weathered numerous business cycles may be faced with new circumstances that confound their otherwise successful instincts and knowledge.

While there is no crystal ball that accurately predicts the future, small business owners can take a number of steps that will help their enterprises endure the worst of times, and position them for success when conditions inevitably improve.

- Consult your bank about your business's financial status. Lenders have vast experience in economic cycles, and can advise you on issues specific to your business and industry. It may also be helpful to arrange a line of credit. You may not need it for several months or at all. But if a lag in cash flow occurs, you will have a ready source of bridge money in place.
- Make sure you have good relations with your creditors. You may find it necessary to renegotiate terms, but overdue bills and inconsistent payment practices will not help your position. What's more, your creditors may be experiencing financial difficulties as well. Any flexibility will hinge on whether they perceive you as a reliable partner, or a risk.
- Similarly, keep a close watch on your receivables. Follow up with whoever owes your company money and make sure they are meeting their terms. Be firm when dealing problem accounts, but also be willing to negotiate where appropriate. It may take only a matter of months for a struggling customer can become a highly stable source of income. If you can accommodate such situations without adversely affecting your company's financial position, everybody wins.
- *Make sure expenditures can be justified, and that they contribute to the financial health of our business. You may find it necessary to redirect money to areas that will enhance business performance. If you carry an inventory of products, check the accuracy of your records and procedures to prevent losses. It may also be helpful to adjust your order amounts to match projected sales.
- Review your operations and expenses on a regular basis. If you monitor your profitability on a monthly basis, it's a good idea to do it weekly or biweekly during slow economic times. Likewise, review your business plan more often. Monthly or quarterly reviews will make it easier to make adjustments and keep
- Step up your marketing efforts. Many businesses mistakenly see marketing as a luxury when money is tight. The truth is that this is the time you need marketing most. Along with reassuring your current customers that you are still there to serve them, marketing can help you reach new markets that will sustain your business now, and facilitate its growth in the future