

SelfInformed

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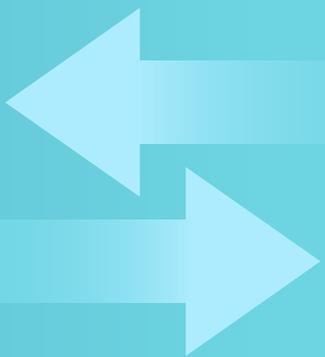
***NASE Member
Russell Edwards***



7 FUNDAMENTALS OF GROWING YOUR BUSINESS

You're in business for yourself.
And it's an exciting ride!

You want to prosper and
grow your business. Have
you ever thought about what
steps to take to strategically
grow your business?



1. SET GOALS

Write it down. What are your financial goals for the year? The quarter? Break down how you will achieve these goals. How many widgets do you need to sell? Or how many insurance policies do you need to write? Put your goals in a frame in a place where you can see it throughout the day.

The giant sticky note. Our lives revolve around electronic devices, and it's difficult to have 'priorities' consistently displayed. Use the giant post it note as a reminder of weekly and quarterly goals. Having your purpose and your goals constantly in front of you will help you stay focused.

2. REALIZE YOU CAN'T DO EVERYTHING

In order to achieve your goals, you must delegate. Make a list of things you don't enjoy, or don't do well. Keep in mind that your value is in doing what you do well. Hire a bookkeeper, or a graphic designer. Regularly look for talent. There are many websites providing freelance talent, often internationally and at reasonable rates. A popular site worth checking out is upwork.com.

3. FOCUS ON RETENTION

It cost less to earn more from an existing customer, than to obtain a new one. The US Chamber of Commerce states that the average business loses 50% of their customer base every 5 years. Learn what the attrition rate is for your industry and strive to beat it. Place a high priority on customer service and make sure that your employees do as well. Reward frequent or long-term customers.

4. NETWORK

Volunteer, join civic organizations, be active on business related social media. Become the 'expert' in your field. Offer to speak to organizations. Do you own an auto repair shop? Can you speak for 10 minutes on how to keep your car in tip-top shape? Or, if you own a floral business, speak on upcoming trends in home décor. If your target customer reads blogs, start a blog – and get a college student to write for you (see #2 above)

5. INCREASE YOUR LEAD SOURCES

Try something new. Just because a particular advertising media didn't work in the past doesn't mean that it was the fault of the media. It may have been timing, poor frequency, bad creative or a combination of reasons. Reach out to a marketing person in your networking group and get their expert advice. Take calculated risks – but don't be afraid to try something new.

6. TRACK YOUR CUSTOMERS

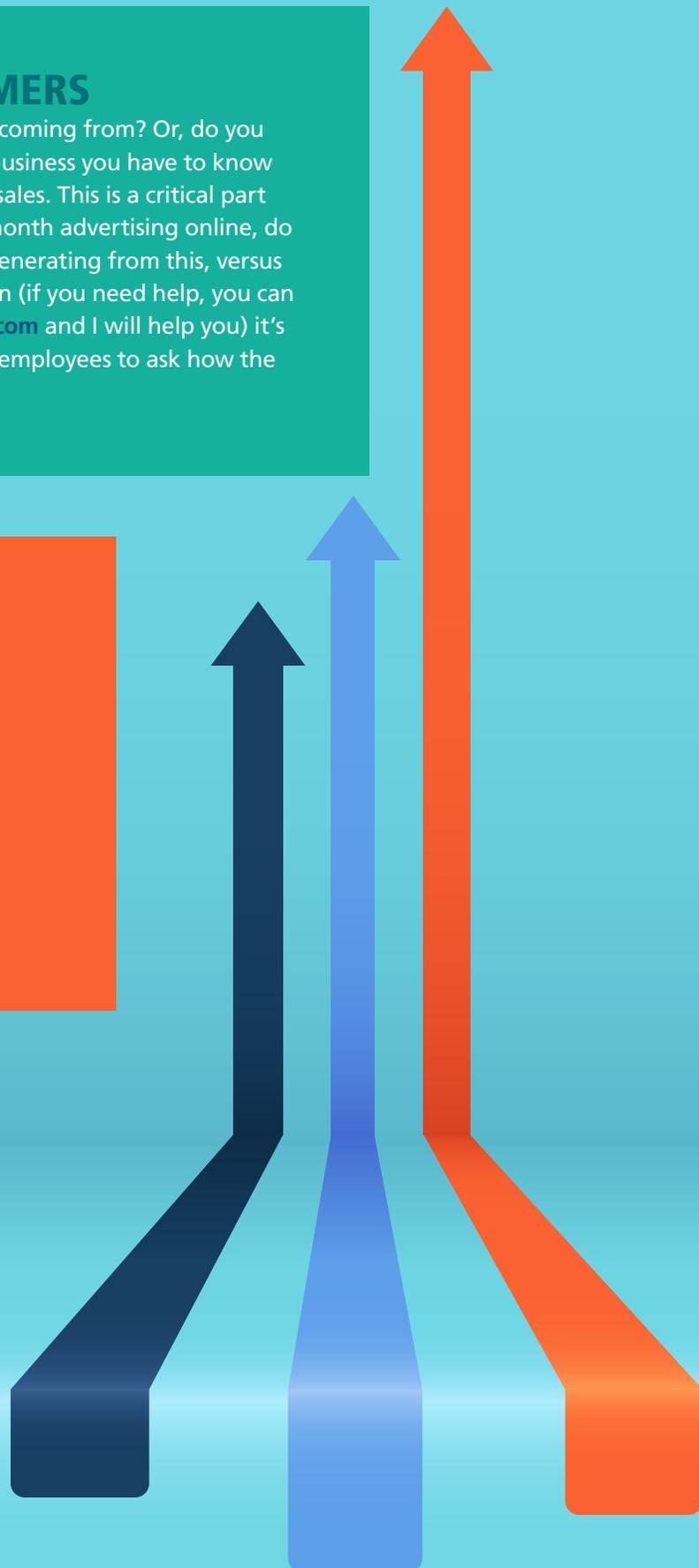
Do you know where your customers are coming from? Or, do you just have a 'gut instinct'? To grow your business you have to know what advertising dollars are generating sales. This is a critical part of growth. If you're spending \$2,500 a month advertising online, do you know how many customers you're generating from this, versus customer referrals? Devise a tracking plan (if you need help, you can email me at terrie@sunbelt-advertising.com and I will help you) it's much simpler than you think. Train your employees to ask how the customer found out about you.

7. ASK FOR REFERRALS

This seems too obvious, right? Actually it's one of the most overlooked ways to grow your business. Just ask. If you have happy customers they will gladly give you referrals. And when you're asking for that referral, ask if they would be kind enough to write a reference letter for you. Happy clients are your best source of untapped business.

Growth is exciting and possible when you follow a few simple steps.

Terrie Turner is an NASE Expert and is the President of **Sunbelt Advertising**. Submit your questions to Terrie in the **Ask the Experts** section of **NASE.org**.





Ask the Expert

Q. *As a real estate agent for residential property, should I form an LLC to reduce my taxes?*

A. The easiest and quickest answer to your question is simply NO! The first key point to consider is that the form of entity under which you choose to operate will not have a material impact on your overall income tax liability. This is particularly true for the small business owner providing personal services such as residential real estate agent where all of your income is considered earned income. In fact, the sole proprietor who forms an LLC for their business activity could choose to file the income of expenses related to that business using IRS Schedule C, Profit or Loss from Business. This is the exact same form that the exact same sole proprietor would use if they

hadn't formed the LLC. In this case, the taxes would be exactly the same.

There are certainly benefits and detriments of all forms of organization, however, expecting to pay lower taxes simple due to entity form should not be considered. An LLC, or Limited Liability Company, can provide some protection for your personal assets from potential liabilities generated by the business which can be a good reason for choosing that form of organization. Liability protection can also be considered a benefit of forming a corporation or operating your LLC as an S Corporation. Forming an LLC or corporation can also provide an easier opportunity for adding an investor or



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additional owner and perhaps facilitate an exit strategy that is more convenient when it is time to sell your business. However, the key point to your question is that the choice of entity form should not be a tax decision.



As always, don't forget that you are not alone. Bookmark our website at **NASE.org** as well as the IRS website at **IRS.gov** you will always be able to find the help you need.



Member Benefits

Visit www.NASE.org to learn more about the following benefits!



You could say we're
giving away money.

To small businesses just like yours! Apply for a business development grant from NASE today, worth up to \$4,000.

Apply for a grant >



Growth Grants

Apply for a business development grant from the NASE worth up to \$4,000! Designed to help address a specific business need.

Need **\$4,000** To Help Your Business Grow? **Login and apply** for an NASE Growth Grant Today! You could receive up to **\$4,000** for your small business through the NASE Growth Grants program. The NASE has already awarded more than **\$600,000** to NASE Members just like you.

Grants can be used for marketing, advertising, hiring employees, expanding facilities and other specific business needs.

You could be the next grant recipient. To be eligible for an NASE grant, you must:

- ▶ Be an NASE Member in good standing
- ▶ Demonstrate a business need that could be fulfilled by the grant
- ▶ Provide a detailed explanation of how you will use the grant proceeds
- ▶ Show how the grant will improve your business growth and success
- ▶ Offer supporting documentation such as a résumé and business plan

Login using your NASE.org web account to begin using your benefits right away.

Don't have an account? **Set it up** today!
Not a member? **Join now!**



Member Benefits

Visit www.NASE.org to learn more about the following benefits!



Get listed. Get noticed.
Get going.

Get a free business listing in the extensive NASE Small Business Locator/Member Directory.

Get listed now >



Small Business Locator

Get Your Business Listed and Noticed!

NASE Small Business Locator - Member Directory:

As an NASE Member, you receive a **FREE** business listing in NASE's online Small Business Locator/Member Directory! To help grow your business, this free listing provides you with:

- ▶ Increased Web presence with more than 20,000 unique visitors per month;
- ▶ Quality leads to fuel your marketing efforts;
- ▶ The opportunity to do business with other small business owners; and
- ▶ A complete company listing - FREE, including website and email information

Access to the member directory is available to the general public and promoted throughout the year on www.NASE.org, and within the NASE's e-newsletters, Self-Informed and Washington Watch. In all, hundreds of thousands of marketing impressions will attract qualified buyers to the Small Business

Locator who are looking for businesses like yours. It's a win-win, and it's **FREE!**

Get Listed Today!

Simply click on **My NASE** located on the top menu bar, login to your NASE account and click the section header that reads **Small Business Locator**. Follow the on-screen instructions, confirm the information you entered and click on the Save Changes button. A description of your service along with contact information will be added to each of the classifications you choose to be listed under.

If you need help or have questions, please call one of our customer service professionals at (800) 232-6273.

Member Spotlight



Applying Self-Employment

***Russel Edwards** is the owner of Major Appliance HQ, a family owned and operated appliance business for 40 years located in Chuckey, Tennessee. Major Appliance HQ serves the local community not just as a place where customers can purchase appliances for their homes but also rely on to install and service their appliances properly.*

What inspired you to enter the field you are in?

My family owned and operated an appliance store in Miami, FL since the 1950's. With my background and experience, it was a natural fit for me to become involved in the appliance industry.

What led you to starting your business?

This business was started after the sale of my last store. Our family decided to move to Tennessee for a change of scenery and upon moving here, I found that there was a great need for an appliance store in the community. With our history in the business, this was an easy decision for us.



What challenges have you faced in your business?

The initial challenge was finding products that were up to our standards. We had to focus on providing quality service to our customers until we finally came across a distributor who could provide the service and product lines we needed. It was difficult in the beginning but we knew that rushing in and selling products that were not to our satisfaction would hurt us in the long run.

How do you market your business?

Since we are not in a large market, we don't necessarily market our business in the traditional sense of big advertisements. Our online efforts cost us more time rather than dollars, we use Facebook, Google Plus and Craigslist. We are currently working on a website which we think will help. We get a lot of referrals by word of mouth from good customer service, which is key in this area. We sometimes will run radio advertisements as well.

Treat people fairly and they will respond by continuing to be a loyal customer.

Do you have any employees?

Yes, we currently have two employees and we stay quite busy. I have started looking into adding two more and hope to do that by the end of this year.

What's your schedule like, what's a typical day for you?

Currently I leave home by 7:00AM and head to the store to make sure that it is ready to be open for the day. Once I am satisfied that it is ready for opening, I go out on the road and am either installing customer orders, or making repairs for the rest of the day. Typically, I will get home around 7:00PM.

What's the best thing about being self-employed?

The flexibility in my schedule is something that I value greatly. I can book all my appointments around events that I have in my life. I also enjoy not being required to sit in an

office if I don't have work to do, I work when I need to.

Which NASE member benefit is most important to you?

The insurance is how I got introduced to the NASE and I am thankful that I did, so I would say that is pretty important because it led me to this great organization. Besides that, I also think the support the NASE shows its members is wonderful.

What's the most important piece of advice you would give to someone starting their own business?

Starting up is always difficult, but if you provide good service and fair prices and find a market that is needed in your area, you should be just fine. Treat people fairly and they will respond by continuing to be a loyal customer.

DOL New Overtime Rule IMPACTS SMALL BUSINESS

UNDER A PROPOSED RULE issued by the Department of Labor, millions of exempted employees would become eligible for overtime and would raise workers' wages by \$1.2 billion in a plan outlined by Secretary Perez. The salary threshold for an employee to be eligible for overtime would be raised to about \$970 week/\$50,440 annually and the threshold for highly compensated employees would move from \$100,000 to \$122,148.

In an analysis provide by H.R.BLR.com, "In the first year, the DOL estimates that 4.6 million workers exempt under the current regulations who earn at least the current weekly salary level of \$455 but less than the proposed salary level of \$921 would, without some intervening action by their employers, become newly entitled to overtime protection under the FLSA. Similarly, an estimated 36,000 currently exempt workers who earn at least \$100,000, but less than \$122,148, and who meet the minimal HCE's duties test but not the standard duties test may also become eligible for minimum wage and overtime."

In information provided by the Department they estimate that the "cost to each small business, on average depending on the number of workers covered by the regulation, \$100 to \$600 in direct costs and \$320 to \$2,700 in additional payroll costs to employees in the first year after the promulgation of the proposed rule."

Nearly 250,000 businesses and organizations submitted comments to the Department of Labor, the NASE joined several organizations in voicing their concern on the impact the new threshold would have on America's smallest businesses, including the micro-businesses we represent. Additionally, we do not believe that using the 40th percentile of weekly earnings is an accurate tool to use, given that wages fluctuate significantly given geographic location. We hope that the Department of Labor will reconsider its proposed changes and understand the significant financial impact this will have on micro-businesses and smaller employers.

Katie Vlietstra is NASE's Vice President for Government Relations and Public Affairs; You can contact her at kvlietstra@nase.org.

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