

# RISKY BUSINESS

Insurance Info & Risk Management Tips

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## Feeling Business Funk?



Just like us humans, our businesses have ups and downs and sometimes require a little help getting through the funk, slumps and bumps. Every business owner experiences this at some point. Owning a business can feel similar to raising a child. All the time, money and effort that goes into it and all the stress of hoping it will grow up to be successful – can really take its toll on business owners and cause trauma and burnout. But there are proven tools that can help alleviate some of the pain.

First though, let's look at the business cycle. Each business is made up of four major life stages that all have their own unique challenges and stressors:

- 1. Incubation Stage** – Research, Capitalization/ Investment, Launch process
- 2. Start Up Stage** – Marketing, On-Boarding Employees, Branding, Networking
- 3. Scaling Up Stage** – Growth, Expansion, New Service Offerings, Opportunities
- 4. Sell/Transfer Stage** – Preparing for the Sale or Transfer of the Business/Retirement

Each business is different, and some stages can last decades. Some only a few months. Take a moment to analyze where your business is in the life cycle

The Start-Up Stage can be the most stressful and the stage that most businesses either succeed or fail. At this stage, one of the key components to success is having enough capitalization to fund the business, while being able to pay yourself (and your employees, if applicable) a living wage to survive.

If you do not have key relationships with lending options, this is where you need to start. Have a meeting with your business banker and find out how much you could borrow (and the APR) if you needed extra operating cash.

Bringing in consistent clients is also important and stressful. Make sure to have a good CRM system so you can track your customers, leads and networking partners. Network with companies that align with your vision and values, share resources and refer clients to each other. Offer referral perks, create combined marketing campaigns and hire a professional marketing person to help.

Marketing & Branding are key at all stages, so make sure your outward presence reflects your company's inner core values. Your website and online presence should set you apart from the competition. Ask all happy customers to write a good review for you to boost your credibility.

The **SWOT** method is a tool used by many companies and risk managers to analyze the current state of the business. Below is a chart for reference. Example: Internal Strength may be your passion for your product or service; your expertise; your connections, etc. While Weakness may be new venture status, lack of marketing, lack of long-term capitalization. Opportunities can be something like – expanding your service or product line, buying out another small company to expand, franchising, etc. And examples of Threats are competition, bad customer reviews, etc.

Use this tool to chart out what areas of your business you need to focus on. Are there any Opportunities on the horizon you might be missing? Are their areas of Weakness that you can improve?

Working ON your business and not just IN your business is a great way to get through some of the burnout and stressful bumps in your business cycle.

