



GUIDE TO

STARTING A SUCCESSFUL

BUSINESS

Advice from a Financial Advisor and Business Owner

10 THINGS

EVERY FIRST-TIME BUSINESS OWNER SHOULD KNOW

OWNING A BUSINESS IS AN ADVENTURE

No matter how skilled you are at jumping over obstacles and avoiding the hazards along the path, there simply isn't a shortcut to getting everything right. I would know – I've learned more than my fair share of lessons along the way as a business owner. If you're starting out with your first business or considering jumping in, here are ten common missteps and helpful tips to consider:

1

BE CREATIVE WITH FINANCING

Today there are far more ways to fund and finance your business than sitting sweaty-palmed in a banker's office. Consider grants, loans, credit cards, friends and family investors, and even bartering to get what you need for that ground-level financing.

2

ESTABLISH BUSINESS CREDIT EARLY

Your goal should be to build business credit – not personal credit – because it's your business that will get you approved for future funding. Skip the personal award points, no matter the allure, and pursue business accounts at stores and buy direct as opposed to buying through a credit card.

3

BE OPEN-MINDED ABOUT HIRING

Some industries are more concerned about hiring someone with the right degree from a prestigious university, but anyone can look awesome on paper. Keep in mind that you're hiring the person's skills, experience, and character, not their credentials. Some of my smartest and most motivated employees have been people with relevant skills and solid references rather than MBA's with little work experience.

4 SET EXPECTATIONS

Your closest circle of friends and family can be your best allies. Just be sure to start off with clear ground rules, expectations and contracts as you would with any partner or employee. A good rule of thumb is to treat your friends and family like employees, and your employees like friends and family.

5 NEGOTIATE

Many new business owners go through a period of desperation for business, and that will often work against them. Remind yourself that costs and lead time can often be changed with some conversation – and that applies to both buying and selling. Know your limits, be ok with saying no, or yes – but be clear that it may take longer to deliver than anticipated.

6 DON'T GIVE STUFF AWAY

People assign value on an item or service based on what they paid for it. When you give it away, it's worth nothing to other people. This was a hard personal lesson to learn!

7 HONESTY WITH VENDORS

People respect honesty rather than going along with something because you're the client and they're the vendor. Don't be afraid to tell the truth. When you're a new business owner, you'll find yourself in compromising situations where you'll be tempted to say and do things you know you shouldn't. Resist that urge!

8 RECOGNIZE GROWTH

As you grow and things change you may need different types of clients to reach the next level of success. Legacy business is reliable but tends to become baggage because you're not the same business when you started the relationship. Help these clients find the right provider for them but don't carry losing money on the books out of sense of loyalty – you're not best serving yourself or your client.

“The decisions - and the compromises you make now can impact your future success. Know your worth, set boundaries, and don't give anything away.”

9 ONLINE MARKETING

Not all people are meant to work together. You'll find yourself with clients that you can't connect with, who generate frustration or who never seem satisfied. Don't be afraid to do what you know is the right thing to do. You'll be ok, and so will they.

10 VISIONARY MODE

There's a great book by Santa Rosa author, Michael Gerber, called “The E Myth,” that defines three levels of business owners: the Technician (who does the work), the Manager (who oversees the technicians) and the Visionary – the leader focused on the direction of the business. So many businesses fail because as owners, we struggle to get out of technician mode. It takes letting go of control to become a leader – a visionary – who is more focused on building the business than executing the business.



ABOUT THE AUTHOR

Bill has over 20 years of corporate development, management, and marketing experience across several high-technology industries. As a founder of a successful software and consulting business, he understands the unique personal challenges of business ownership. He is dedicated to serving clients in the areas of financial and retirement planning, with an emphasis on risk management and sustainability.



ACHIEVE YOUR BUSINESS AND PERSONAL FINANCIAL GOALS

Regardless of where you are in the life cycle of your business, it's never too early to start planning. In fact, the earlier you start, the more innovative approaches we're likely to come up with to help you maximize your business value and get where you want to go.

Private Ocean Wealth Management is here to help you create a disciplined financial plan that reflects the complexities of your situation—including tax and investment strategies for you and your business and future retirement.

To start a dialogue, visit our website www.privateocean.com/lets-talk, or email us at info@privateocean.com.



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Founded by Richard Stone and Greg Friedman in 2009, Private Ocean (www.privateocean.com) combined two of the oldest privately-held wealth management firms in the San Francisco Bay Area – Salient Wealth Management and Friedman & Associates. In 2018, the firm acquired Seattle-based Lakeview Financial and currently has over \$1.6 billion* in assets under management.

Last year, Private Ocean was named Best Wealth Management firm by North Bay Biz and has been named one of the Best Places to Work by InvestmentNews in 2018 and The North Bay Business Journal in 2017. Richard Stone was honored with the Schwab IMPACT® Leadership Award at the 2011 Schwab IMPACT® conference. CEO Greg Friedman was named to InvestmentNews 2017 Icons and Innovators list and has appeared on Investment Advisor's 25 Most Influential list. In 2011, Friedman received the Investment News Industry Influencer Award. He received the Schwab IMPACT® Best in Tech Award in 2007.

* We also work with clients who do not yet meet this threshold but are on a path that will get them there in the future.

* As of May 18, 2018

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