

Fourth in a 10-part series about successful operating strategies for women in business

Think big, even if your business isn't

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In BC, only a quarter of women-owned businesses are incorporated. In the majority of cases, the owners are content to have their business function as a sole-proprietorship because their operation is small. If you are the only person on staff, that strategy might be considered correct.

Yet, thinking of your business as too small to use some of the operating strategies larger businesses use, you may be hobbling your growth potential. Instead of putting limits on your business in that way, look at some of the things larger businesses do for efficiency and consider doing the same.

Even if you're satisfied by how fast your business is growing, take time to critically assess how you operate. There may be some tasks that rob you of the time your business needs to stay successful. One of those could be record-keeping.

If you think about your business strategically, it means you anticipate the business roadblocks you'll encounter and devise ways to overcome them in advance. Even running your business "solo" requires you to plan if you expect to achieve the end result you had in mind when you started out. A key part of planning is putting a proper value on your contribution to the business as the owner. Is keeping your own books, even with the aid of one of the many bookkeeping software solutions available, a practical use of your time or is it counterproductive? Once you have a clear picture of your company's financial cycles, taking the time to do the bookkeeping could become a drag on your growth because it steals you away from other important tasks.

When you reach a stage in your business growth cycle where you move from being a do-er to a manager to strategist, it's also time to think about your business's professional support team.

Unlike the 'cheerleaders' who've advised you through your first growing pains, the professional support team helps you put the mechanics of your future vision into place. These are the professionals who help your business. If you haven't already, you should consider building relationships with:

- *A lender.* Demographically, women business owners often prefer using personal savings rather than taking on debt, but when savings are not enough to fund growth, having developed a relationship with a potential lender is a strategic asset.
- *A lawyer.* Even if you don't need a lawyer now, there may come a time when you decide to incorporate or need legal advice. Source one you can work with in advance.
- *An accountant.* Besides the advantage of having an accountant at tax time, he or she can provide important information on long-term financial planning and incorporation.

**Women's Enterprise Centre
Page 2**

- *A bookkeeper.* As mentioned, passing on routine bookkeeping tasks to a professional may be worth the cost when you compare it the value of your time to your business.
- *An insurance agent.* An insurance broker can advise you on the business insurance you should carry such as disability and liability.

Karen Hovestad started Auto Check Radiator and Cooling Ltd. with her husband in Nanaimo in 1997. They decided to incorporate their business before they even opened their doors to their customers. "It was important to us as an indicator of stability and the mark of being in the 'big league to incorporate," says Hovestad. "Much of our success has been derived from the 'small shop' style of personal service infused with a highly professional operation."

Hovestad also discovered that being a woman in the automotive repair business was a big advantage. "Our industry resources show that 80 percent of buying decisions are made or influenced by women," says Hovestad.

Her focus on service has created a loyal customer following from as far away as Prince George. "I looked at how customers were being serviced and what they were actually looking for. We found that by blending an exceptional level of customer service, a willingness to educate, and a quality job we were able to build trust with our customers," said Hovestad.

Hovestad's attitude towards running her business has won the company local recognition and accolades. Their success has allowed them to expand twice to a current staff of six.

Incorporation can offer personal protection to an owner by separating personal assets from those of her business. Your liability is limited for the debts of your business if things go wrong. And down the road, should you decide to sell, incorporation may represent more value to a potential purchaser because they are buying a business that exists independently of you. Incorporation may also present some tax advantages, including tax deferral, income splitting with family members and small business tax deductions.

Incorporation does, however, represent more cost because your paperwork could increase and professional fees may rise. As a sole proprietor, you cannot use business losses to reduce your personal income, nor can you use personal tax credits to reduce your business income.

Either way, if you want to get serious about your business, having a team of professional advisers on hand will always make operating your business more efficient.