

The YEBDC Small Business Information Column

by Sue Gingerich, Business Advisor

"Are You Enjoying Safe S--Success?"

Have you used protection? Are you safe? No, we're not talking about sex. We are talking about your business! Many of us never think about what can go wrong in our business --- until it does. Who wants to be pessimistic? But, business owners need to be concerned with safe s--success!

First ask yourself, what things could possibly happen to my business that I am not prepared for? Some of the more common ones are:

1. Equipment failure
2. Interruption of receipt of product or supplies from a supplier or distributor.
3. Employee accidents at work, on a job site, etc.
4. Owner gets sick
5. Postal strike
6. Key employee quits
7. Fire, flood or other natural disaster
8. Customer gets injured at your place of business
9. Your business is broken into
10. Sales suddenly drop off, or never pick up after first opening your business
11. Every business is unique, so there may be other things that you may need to be prepared for.

So how do you prepare for the above possibilities? Well, each one may take a different solution or preventative measure. Listed below are some suggestions:

Insurance: Make sure you have more than adequate insurance. This includes, sufficient liability insurance as well as fire and theft coverage. You may also need to inquire as to whether or not your policy actually covers you for things like, floods and other natural disasters. Look at the costs of upgrading your insurance versus the costs of replacing things if something happens. Remember to also calculate the potential lost revenues if something happened.

Service Maintenance Agreements: For many types of equipment you can purchase service maintenance agreements. Be sure to weigh out the costs. Also consider their response time. See the next point for another option.

Backups: Have backups in place. Sometimes its cheaper to have another piece of equipment than a service maintenance agreement. Or maybe another small business could actually be your backup.

WCB: What if your workers are injured on the job? Who will pay their salary?

Life and disability insurance: Consider this option not only for employees but yourself. What if you become sick? Will your business continue to make money without you being there? Even if it does, will you be able to continue to draw a salary?

Cross training: Develop your staff. Make sure they are trained in more than one area. Train one of them to be your backup.

Use the 80/20 rule: Don't put your eggs all in one basket. When it comes to things like suppliers, have a second one as a back up. Give your main supplier 80% of your orders and spend 20% with a new and up-and-coming company that will be eager to work hard for that 20%.

Do your homework: Do thorough research. Pay attention to your customers. Hear what they are saying.

So be prepared, use protection, and enjoy safe s--success.

If you have a small business and have a question or problem that you think The YEBDC could help you with please call or write to: The Yellowhead East Business Development Corporation, Box 249, Sangudo, Alberta, T0E 2A0

1-800-556-0328 or 1-780-785-2900, e mail: yebdc@yebdc.ab.ca, or access our Website at: www.yebdc.ab.ca

"Takin' Care of Business... Takin' Care of You!"