

10 Primary Functions of Managing A Small Business

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Most entrepreneurs go into business because of a specific passion, product idea, or marketable skill set, but most entrepreneurs don't know how to start a small business. There is a lot of excitement that goes with starting a new business. The dreams are big, the passion is real, and there is a drive to succeed.

However, there is a downside. And that is facing the reality of the necessary business functions that are required to run a business. Many small businesses fail because they don't take the time to put the structure in place to manage the business.

I often get asked how to grow a small business. The simple answer lies in its ability to manage itself. Many entrepreneurs don't take the time to think about that as they begin their journey – resulting in issues that need to be dealt with.

Think about the following business functions that will require help from a team. Some of these functions can be learned but are time-consuming, and some may need to be outsourced to ensure you are accessing the right expertise.

10 Primary Functions of Managing A Small Business

1. Ethical Accounting Practices

The accounting function of a small business covers many areas. Payroll, account receivable, account payables, taxes, financial statements, and the list goes on and on. Paying employees and keeping accurate accounting records for tax purposes is very important. Maintaining good records helps to eliminate a stressful time of trying to gather the necessary documentation for filing tax returns.

One of the first members of your team should be a credible and responsible accountant. Look for an accountant who has the credentials (CPA), specializes in small businesses, and that their services are customer friendly, accurate, and timely.

2. Human Resources

Small business owners are often surprised at the challenges that come with managing their workforce, which requires expertise in the science of human resources. Managing people can be a challenging part of a business and changes drastically as a company grows. For instance, it is not imperative to have policies and procedures regarding sick time or vacation time when there are a handful of employees.

However, as the organization grows, it becomes more important to have a human resource management process and written policies and procedures. Pay attention to the labor laws that regulate small businesses and work to develop a team that can manage it, and ensure compliance with all regulatory requirements.

3. Facility Management

Most businesses need to live somewhere, have an address, and a front door. Facility issues arise once a company grows to a point where an office front or building is required to run the business. When there is office space, there are ongoing maintenance, cleaning, and upkeep requirements.

Most facility management can be outsourced with a reputable company that has an excellent customer service track record. Prices are always negotiable, and creating a custom plan is always an option.

As an example, ask the vendor how much less it would cost if you emptied your trash, used your cleaning supplies, or had the services less often. These are things to think about as you negotiate a contract with a vendor.

4. Information Technology

Technology runs most of our lives. Every organization is dependent on technology to run their business. It often makes sense to outsource the IT function to a reliable vendor. If you've ever had your hard drive crash or the server goes down, you understand the need to have reliable support at a moment's notice.

Depending on the complexity of the organization, office hours, or times when a company is open for business, different vendors have different levels of IT support. For instance, if your office is open Monday through Friday, 9:00 am – 5:00 pm, IT support for those hours may be sufficient. However, if your operation depends on online support, you will need 24/7 support.

As with negotiating all vendors, make sure you check references and interview support staff before you sign on the dotted line. You want to make sure that your tech guy has excellent communication skills, is someone you can relate to, and is someone who has your organization's best interest at heart.

5. Customer Focus

At the end of the day, customers pay the bills and our salaries. They need to be taken care of. Take the time to find out who your customers are and what they want. Keep a pulse on your customers so you understand how well their needs are being met; because customer satisfaction is a crucial gauge to the health of your organization.

Successful businesses understand that focusing on the customer and be able to articulate what they want is the secret to success. It is also crucial to be able to identify and resolve customer issues so you can ensure a loyal customer base.

6. Website Development

Why does a business need a website? An organization's website is often the first impression a potential customer has of an organization. A well thought out, organized, and user-friendly website is crucial to attracting and keeping customers. There are few things more frustrating for a customer than to go to a website, and either not be able to find what they are looking for or see a page that is not functional.

When interviewing website developers, make a point to visit sites they have created, and contact their customers to get feedback on their timelines of projects performed.

One last note on websites, it is important to remember that a website is not a onetime project but an ongoing process that needs managing. Neglecting a website and leaving outdated information on a site can be detrimental to an organization. Make sure you have a plan to keep the website functional, user-friendly, and up to date.

7. Social Media

Why does a small business need Social Media? Social media has become the new standard for business marketing. The good news is that it is inexpensive to do, but does require some time, skill, and strategy.

If you don't know much about social platforms, find a teenager, and ask them how they would use social media to help your business. You might be surprised at the creative ways they recommend getting the word out.

Long term, you will need to hire someone who understands these ever-changing technologies so you can keep your organization in front of your customers.

8. Search Engines

Most people today use the internet to find a business or service. Make sure your business website has a profile on all of the business pages of search engines. Google Business, Bing Places, Yelp, and Yellow Pages all have business directories that will help get you found in the search engines. Because they are business directories built by. And for the search engines, your listing will rank well when someone is searching for you.

These engines pull information from anywhere they can find it on the internet, so if you aren't deliberate with the information you share, your business may have outdated or inaccurate

information. Take control of what information is available and spend a few minutes creating and maintaining a company profile with accurate information, pictures, and videos!

Search engines can be your friend or your enemy, depending on what kind of information is floating out there. Identify someone on your team to do regular online searches for your organization to see how well your business ranks against other organizations.

But more importantly, to see if there are any negative comments about your organization floating around the internet. If there are negative comments, address it head-on and respond to the criticism by either apologizing, explaining the situation, or both. Never ignore negative feedback. Even if you were wrong, respond.

I can tell you from personal experience that I have chosen to not do business with organizations that I have googled and found negative comments about. I'm a firm believer that while most of the time, comments may be exaggerated, there is an element of truth in all negative comments and potential customers take them seriously. If you have any unresolved customer issues, do anything you can to get it resolved and hopefully perform a service recovery.

9. Work-Life Balance

As a business owner, it is crucial to maintain a healthy work-life balance. Building a successful business can be a great sense of accomplishment. But to neglect family, friends, or other personal interests can take its toll over time.

It is essential to take the time to reflect, think, and regroup regularly to maintain your mental health and business advancements. Think about it, where were you, and what were you doing when you got the idea to do what you do? Take the time to refresh so you can keep focused and committed to your mission!

10. Don't Forget the Fun

Ok, I saved the best for last. I had a boss tell me once that if you aren't having fun at work, you're in the wrong job. As a business owner, you need to have fun and to carve out time to make sure you provide a fun environment for your employees.

There is a real estate company that is named THF when asked what it stands for, and the reply was "To Have Fun"! Try to learn from this.

Running a small business requires many skill sets. Take the time to put the systems and processes in place to help you do what you do best. Hire great people and let them help you take your business to where your dreams direct you!