

Does your business need more cash?

What a stupid question! Every business needs more of this commodity. The important question is the how and where does one procure more of this item. Since you are a business person you have probably thought of the following ways to possibly obtain more of this reward. First, you have scrutinized your profit margins. By this, "I mean will your customers tolerate a price increase?" Then you must ask yourself another important query, "how can I justify this price increase?" What elements of differentiation of product and service do I have that my competitors do not offer?

But let us not rush to such a quick and simplistic solution. Before you increase your profit margins, you should evaluate your internal operations. That is, evaluate the necessity, amount, and validity of all expenses and revenues. This exercise is very difficult to perform. Many of your expenditures have a long history; and they have many strings attached that are not easily broken. It takes courage and conviction to change something as important as a key supplier or an employee that has been with you for a long time. It takes strength to evaluate every item on your income statement in order to find those expenditures that are no longer needed or need to be adjusted. Additionally, you must evaluate all revenues to ensure that they are all profitable and that they complement your other products and services. They all can not be lost leaders. Remember, to guarantee your business success, these actions must happen frequently.

When you have completed this evaluation of your business and you have arrived at a solution to increase your bottom line, then you can ask yourself is there anything that I have missed. Well, that is where SCORE can be of assistance. We are an organization of entrepreneurs and professional people who have been there and done that. We can be of assistance in answering or asking the difficult questions that relate to your business. And, we have something more to offer. This is the beginning of the third year of the First Community Bank SCORE Award. It can be beneficial to your cash needs. The award of \$1,500, which is given to one of our past or current clients who have had free and confidential counseling, is bestowed to the winning company in the fourth quarter of 2014. If you are interested in our services and want to qualify for this cash award, then please call Peter Iverson at 231-347-4150 to schedule an appointment. And to help you make this decision, please take the time to read the following articles in the Petoskey News

Review authored by the two previous winners of this coveted award: do a search in the PNR website for Van Dam Boats, April and July 2013, and Julienne Tomatoes, January 2014.

SCORE wishes you a very profitable year!

Stephen Billings
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