

Interviewer Questions

(in a narrative style)

Question 1:

“Ellen, you state in your book that you have over 25 years in business and financial consulting, and that you’ve founded, built, and sold two traditional CPA practices. *What was your underlying reason/inspiration/motivation in writing this book?*”

Answer 1:

“I recognized early-on in my career that my clients were making a distinct selection of business mistakes that seemed to repeat from client to client. About that time, I also read a statistic published by the Small Business Administration that stated approximately 85% of all start-up businesses failed within the first 5 years. I thought that if I could produce a list of ‘What Not To Do’s’, I could educate my existing clients and help them more successfully operate their businesses. Then, the idea to expand this ‘List’ just sort of morphed into a book of good business ideas and practices, based on the assumption that I could make a greater positive impact nationwide with a book!”

Question 2:

Yes, that does fit with your statement on the back cover of the book that there is a list of ‘Top 23 areas [a business owner] must know’. *I would think that there are a lot more problem areas in starting and running a business than just 23?*”

Answer 2:

Yes, you are very right about that, but what I have attempted to do is distill certain broad problem areas that have multiple facets to these key problems and label them under one topic area, such as managing cash flows and accounting systems, choosing the correct technology, which legal entities do I choose, dealing with ‘Uncle Sam’, etc., etc.”.

Question 3:

“You mention the Top 23 Problem areas for businesses. *Can you tell me what the single biggest mistake that most or all businesses will make?*”

Answer 3:

"Yes, in my opinion, it is small business owners, especially in start-up businesses, not recognizing that they don't know everything they need to know about running a successful business. Sure, they are probably experts at knowing their specific product or service, but that doesn't necessarily transfer over into being a 'business expert'! It is so important to recognize one's individual strengths, but equally or more important to recognize the areas where you will need assistance. We don't need to know everything there is to know about business. We just need to surround ourselves by teaming up with (or hiring) those individuals who can and will help one become successful!"

Question 4:

"So, you decided to write a book on helping businesses succeed. *What, then, prompted you to design it, after a fashion, as a 'business primer' with examples, checklists, appendixes, reference materials, etc., rather than a 'here's what I did' book on business?"*

Answer 4:

"Actually, I have to credit and thank Suzie Orman because a friend of mine who listened to my original ideas for the book suggested that I could end up being the 'Suzie Orman of the Small Business World'. I then decided to make the book more of a desk-top reference than just a straight 'Do This... Don't Do That' type of business book." The result is a book, written in plain English, describing over 500 strategies to guide the business owner through the mine fields of day to day operations. I don't want the business owner to just read it, I want them to apply the strategies in their business. Each chapter has an example of a business owner struggling with the topic of that chapter. I outline and explain each strategy for that topic and then recap them at the back of the book. There is a checklist for the business owner to write in the book how they can apply that strategy to their business. If you don't apply it, it doesn't help you.

Question 5:

"I notice that your book appears to be divided into 3 basic sections or areas. *What was your reasoning for laying it out in that manner?*

Answer 5:

"Well, I did lay it out according to the basic evolution of numerous small businesses. Consequently, my evolutionary areas are: 'Starting it!', 'Running it!', and 'What They Don't Tell You...!'. Most

entrepreneurs are aware of what it takes to start up their businesses and are somewhat certain about how to keep them running, but I have found that very few have considered certain areas such as 'exit strategies' (i.e., selling my business?), Retirement Plans, types of necessary insurance, employee benefit plans, etc.

Question 6:

"One area that I noticed where you spent some descriptive time in your book was in the important issues regarding the legal structure of a business. *What is the right choice for most small businesses to make regarding whether they should be corporations or partnerships?*"

Answer 6:

"Wow, that's a really tough question and with the easy answer being: 'It depends...'. Actually, there are 5 basic choices that I lay out in Chapter 3 from which to choose: Sole Proprietorship, Partnership, Regular Corporation, S Corporation, and Limited Liability Company. I discuss numerous factors that need to be considered in deciding which legal entity to become, and this decision will probably be one of the most important that you will make in setting up your company. I highly recommend to all entrepreneurs to take the time to obtain legal and tax advice before finalizing this decision. Ask questions and request 'what if' scenarios from your advisors. What if I want to add a partner? What if my partner and I want to split up? What if I die? What if I want to sell my business? What if I want to bring one of my family members or children into the business? What if I am sued?"

Once you've decided on the proper legal entity, make certain that all required legal documents are correctly signed, copied, and stored in a secure place. Additionally, make certain you are aware of all tax implications, filings, and deadlines. These are crucial and can cost your business a great deal of money. Choosing your business legal entity is a 'big deal' and should be researched as it applies to your business, industry, and family situation. The best decision you can make will depend upon the time and effort you put into researching all your options!

Question 7:

"You devote a bit of time in the book to various uses of informational technology in a business. *Is it required, in your opinion,*

for most new businesses to invest in the latest technologies to survive in today's business environment?"

Answer 7:

"Not necessarily, but there are new programs and methods that are continuously be developed and brought to market that can be of tremendous benefit to these small businesses. In Chapters 9 &10, I address the importance issues in informational technology, with a strong emphasis on the design and usage of databases. Chapters 11 and 12 consider both traditional and Internet-based marketing techniques. Dr. Roger Tutterow, Dean and Professor of Stetson School of Business & Economics, Mercer University, maintains that '...the rise in Internet-based marketing has actually helped level the playing field between large and small businesses'. Additionally, who would have thought 5 years ago that a business manager would be able to receive their individual business e-mails on their cell phone? Now, today, I would be lost without that capability!"

Question 8:

"Ok, let's say that we've selected the appropriate legal entity for our business, we think we've got our technology figured out (if that's possible), and we are now ready to get started 'making our widgets'! *What about accounting systems and financial measuring techniques for the business; what do you recommend in those important areas?"*

Answer 8:

"Well, as a practicing CPA, this question is near and dear to my heart! I go through some pretty important issues concerning the proper accounting systems to set up and provide a couple of actual recommendations. By the way, this needs to be determined and established on day one of 'opened for business'! However, there are a host of other financial considerations such as establishing budgets, implementing daily cash-handling procedures, set up accounts receivable/accounts payable policies, establish credit card charge procedures, monitoring and review any/all costs in the business, knowing your breakeven points, remember that income taxes require cash, examine leasing verses buying scenarios for assets, and managing inventory. Managing your cash flow is your most critical responsibility as a business owner. Your customers, your vendors, your creditors, and your employees depend upon you to do a good job of managing your cash flow. The entire success of your company is dependent upon this!"

Question 9:

“We haven’t talked about acquiring and keeping customers with good customer service. *Does your book have any advice in this most important area?*”

Answer 9:

“Absolutely! No business I know can succeed without good customers, and your business’s proper communication with them is crucial. I actually advocate in the book that your customer ‘point person’ (receptionist, etc.?) be given the title of Director of First Impressions! As a business owner, you should examine all voicemail, e-mail, and websites to ensure that these impersonal technologies are as ‘personable’ and user-friendly as possible. Stay ‘connected’ with your customer base through the use of e-newsletters, and insure that every member of your staff always takes personal responsibility for the customer until that customer is satisfied! Invest time and money in providing good customer service just like you would invest in marketing dollars to acquire these customers. I know a company that had a 20x5 foot banner across the entire wall in their customer service department that said: ‘LEGENDARY CUSTOMER SERVICE!’. It was, and they won awards each year in their industry to substantiate that banner!”

Question 10:

“We have covered a number of key topics and crucial information that any entrepreneur desiring to start a business or any business owner that has a business should be aware of (although I feel we have only ‘scratched the surface’). *What is the best way, in your opinion as the author, for readers to maximize their utilization of the information contained in this book?*”

Answer 10:

“I’m sure there are a number of ways to digest and apply all the information contained in the book, but I would categorize my answer in this manner:

- a. If you are an entrepreneur looking to start up a new business, I would recommend reading at least the first 13 Chapters so as to gain the maximum amount of information to assist you in all your ideas for creating the business. I would then suggest that all four Appendices be studied and utilized for their content within the new business entity.
- b. If you are a current business owner, I would recommend that you list your top 5 most irritating, inefficient, or ineffective problem areas within your company, and then examine the

- various corresponding Chapters and see if there are viable techniques that you can readily apply to those problem areas.
- c. In all other business scenarios, I would recommend this book as a desk-top reference guide...

As Robert Tutterow said in his 'Forward' to the book: 'Business writings are frequently dominated by 'fads' that are short lived and unproductive. *Turning Your Dream Business Into Your Bread & Butter* is a collection of practical, time-tested, but still contemporary, lessons for the small business owner. Those who consume it will be better managers for having done so'."