

BUSINESS LINE

To Your Success

WHAT THE CHESHIRE CAT KNEW

By Andrea Obston, President, Andrea Obston Marketing Communications

"Would you tell me, please, which way I ought to go from here?"

"That depends a good deal on where you want to get to," said the Cat.

"I don't much care where--" said Alice.

"Then it doesn't matter which way you go," said the Cat.

"--so long as I get SOMEWHERE," Alice added as an explanation.

"Oh, you're sure to do that," said the Cat.

A conversation with the Cheshire Cat
From Alice in Wonderland by Lewis Carroll



If the passage above describes your public relations efforts, you're not alone. Most business people seem to think that a haphazard romp through the world of self-promotion is all their business needs. "Oh, yes, we had an article written about us a couple of years ago," they comment. "Lots of people called, but then, well, they just stopped. We should probably try to do that again."

"Doing that again" is not exactly how you support an ongoing business venture. Public relations can be a valuable tool in developing an ongoing stream of business leads and qualified prospects, but only if it's done on a consistent basis. Without a structure and consistent effort, the only thing you'll get from your public relations is a momentary trip onto Planet Ego.

The key is developing a yearly public relations plan that contains three elements: reactive public relations, pro-active public relations and media management.

Reactive (or maintenance PR) is publicizing the everyday changes that signal business growth. These include press releases that herald such things as personnel changes, new clients and lines of business, awards and presentations. A short press release on these developments makes your company look like it's vital and that your people (or you) are everywhere. That's critical for small businesses because of their high rate of failure. People assume that if they haven't heard about them lately, they must be out of business. Your plan must make time for these releases and they must be done in a timely manner (don't worry, you can get away with using the adjective "recently" for anything

that's happened within the last six months and still call it news).

The second kind of PR that must be in your plan is pro-active publicity. Here, you make a commitment to yourself and your business to write and place feature stories on a regular schedule. The purpose here is to highlight your expertise and to position you as a source of information. These should be done, at best, once a month or at least even once every other month. In your plan, lay out all six or 12 topics you're going to cover over the next 12 months. Parcel them out to your in-house experts. Then put together a schedule for researching and writing the pieces and stick to it.

Lastly, your plan must include some definite procedures for media management. That is, dealing with reporters who want more information. Responding to media requests quickly and accurately will strengthen the credibility of your business. When the demand for information comes from the media, it may be in response to your press release or to breaking news. Whatever its source, you must have a set procedure that allows for a 24-hour-a-day response to media requests. Have one person in your organization whose job it is to respond as soon as possible to all requests. Even if that only means calling the reporter back and telling them you're finding the right person in your company to do the interview. Without this follow-up plan in place, sending out press releases and feature stories is a waste of time. If you're not willing to respond to the media requests, then don't send them out.

So, take the advice of the Cheshire Cat and figure out where you're going and plan on how you're going to get there. You and your business will enjoy greater success.

IN THIS ISSUE:

Valuable information for the growth of your business including:

- Your Accounting Software Selection
- Planning for Business Growth
- How a Public Relations Plan Helps a Growing Company
- Choosing a Durable Logo
- Internet Connection Options

The contributors to this newsletter are independent professionals providing general information. Business owners should consult an experienced professional for assistance suited to their particular needs.

CHOOSING AN ACCOUNTING SYSTEM THAT ALLOWS FOR GROWTH (OR WHY YOU SHOULDN'T USE QUICKEN FOR YOUR BUSINESS!)

By Annabel Pedemonti, Accounting Software Services

A major component of your business plan is the financial forecast. Even though detailed line item budgets beyond 12- 24 months are not reliable, you will have set your goals in terms of sales and target markets. It is critical that you choose an accounting software package that can grow with you and that will track your progress towards the goals you have identified.

There are several strata of accounting software:

- Small software packages e.g. QuickBooks for Windows, Peachtree for Windows, Microsoft Money
- Medium sized packages e.g. Business Works, Business Vision, Mas 90
- Large packages e.g. Great Plains, Solomon
- Industry Specific e.g. Medical billing, Real Estate Sales Management Systems

When choosing which software is right for you now and in the future, you need to consider general criteria as well as those that are specific to your business.

Some of the factors you need to consider:

General criteria:

- Size of the databases and the maximum number of transactions
- Number of employees (in-house payroll)
- Number of simultaneous users
- Pricing – cost of product, training, and time spent doing manual tasks the software cannot do

- Ease of use
- Stability of data – is it subject to corruption?
- Integration with the Web
- Ability to interface with other applications
- Foreign currency conversion
- Condensing and purging of old data

Criteria Specific to your Business:

- Inventory control
- Ability to handle manufacturing/product assembly
- Work in Progress tracking
- Certified Payroll and Prevailing Wage for Contractors

If you are using the accounting software in conjunction with either an industry specific program or another software, you may be able to use the other program to handle the added complexity of your business, while you maintain your current accounting procedures .

When considering these criteria you need to decide which are "mission critical" to you, and which are peripheral concerns. If a program satisfies all your essential requirements, then you may be wise to compromise on some of the others as it is unlikely that one software will meet all of your requirements fully and still be within your budget.



FOCUSING ON GROWTH

By Betsy Angelone, V.P, Fleet Bank

Growth. Growing a company effectively is no small feat. Business owners are often times challenged by the attractiveness of running a "huge" company. Realistically, bigger is not always better, especially from the banker's perspective. We in the financial world like to see controlled growth, which shows us that the owner is running the company and not vice versa. Many good "small" companies achieve financial ruin because they grow too quickly and without organization.

Organization is a key component in achieving success for a small business. Business owners must try to really focus on what they do best for the company. Typically the owner will have certain specific strengths and weaknesses when it comes to the day to day operations of the company. The challenge here is identifying what the strengths and weaknesses actually are. Some owners may think they have only

continued on page 3

DIAL-UP OR BROADBAND? SIZING YOUR INTERNET CONNECTION

A Question and Answer with James Pepitone, FarPoint Solutions, LLC

While you may not have a website or be an e-commerce kingpin, the Internet probably plays a big role in your business. But have you chosen the most cost-effective entrance ramp onto the Information Superhighway? In this issue of BusinessLine, we asked Jim Pepitone, Chief Operating Officer of FarPoint Solutions in Middletown to discuss the difference between the two most popular ways to get on the Net: Dial-up and Broadband.

Q: So is dial-up or Broadband better?

Jim Pepitone (JP): There really isn't one best way for a business to get on the Internet. Companies need to write down what they need to get out of the Internet, such as speed or reliability, and then compare the different options to see what type of connection makes the most sense.

Q: What is dial-up and what are its benefits?

JP: Dial-up means you are connecting your computer to the Internet through a telephone line. It's easy to install and maintain, however the connection speeds are slow and if you have more than one computer that needs to be connected at one time, you need multiple accounts and phone lines which can get pretty expensive. In this case, a network dial-up is an excellent solution. This is when a dial-up connection is connected to your network and everyone shares it. The drawback is connection speed is even slower, because everyone is sharing the line. It's also harder to implement and maintain this sort of solution because it requires network setup knowledge. Another drawback with dial-up is you sometimes can't connect because of a busy signal.

Q: Are there security concerns?

JP: You should operate with a firewall and virus protection.

Q: What about Broadband?

JP: Broadband describes a high-speed connection to the Internet using cable modems and DSL. The benefit is it offers an always on, high speed connection that results in performance benefits up to 25 times faster than can be achieved through a dial-up. A cable modem is a bit less secure than a DSL link because the cable network is shared with others in your neighborhood. The main drawback with DSL is it is only offered in limited areas close to telephone sub system stations. With broadband you will also have a more complex networking issue in an office with multiple computers.

Q: Are security issues the same?

JP: Because cable and DSL are always connected to the Internet, security is a bigger concern. Make sure you have a firewall and are using encryption technology if you are sharing information between offices. Individual computers need to have up-to-date virus protection as well.

FarPoint Solutions specializes in IT services such as network installation and maintenance, hardware/software integration, and customized programming. The company is also one of Connecticut's largest Compaq equipment vendors. For more information call (860) 852-0060.



*Have you chosen
the most cost-effective
entrance ramp onto the
Information
Superhighway?*

FOCUSING ON GROWTH

continued from page 2

strengths and can "do it all", from payroll and benefits, to hiring and firing, to training, to marketing, and to chasing accounts receivable. Understandably, when a company is in its beginning stage; the owner would be expected to wear many hats. Once the company is up and running, an intuitive owner might consider outsourcing some of the responsibilities, so that his or her main focus is on growing the business.

Outsourcing of responsibilities can happen within or outside of the company, depending on the strengths of other key personnel. Having "specialty" employees sometimes adds benefit for a small business. Employees who have special responsibilities often times feel better about themselves at work. There exists more personal "buy in" for the success and improvement of the company. They feel needed and important and therefore are less likely to leave the business.

External outsourcing is also an excellent alternative for those companies, which are growing quickly. The responsibility of payroll and all that it entails can be quite daunting. In addition to sending out the employee checks, payroll companies can offer direct deposit, tax filing, and 401K reporting. In addition, payroll companies will assume liability for accuracy and timeliness of all federal and state deposit filings. Payroll companies stay up to date with the ever-changing tax laws and IRS filing requirements so the business owner can concentrate on the growth of the business.

Business owners need to stay organized and focused on the controlled growth of the business. Outsource when possible and bring in the other experts.

WILL YOUR LOGO ADAPT TO GROWTH?

by Andrea Lafleur, Lafleur Graphics

Many business owners don't include their logo design or corporate identity as part of their long-term business strategy. In actuality a logo design is just as important as any other segment of a business entity, since it is one of the communication tools a business needs to grow. If you are currently in a position of choosing a new logo design, here are a few pointers to help you choose wisely.

An adaptable logo will be able to withstand the passage of time. It is not easy to guess what will be graphically fashionable in the future but if you choose an appropriate letter style you will have overcome the largest design hurdle. Like apparel fashions, letter styles go through fads. Have you ever found an old box or container from 20, 30, etc. years ago? Maybe a cleaning product in your grandmother's basement? If you were able to identify right away the age of the container based on the letter style, then you found an example of a letter style fad. Letter style fads are okay in some applications, but not for company logos.

Keep in mind the importance of consistency. So many small or new businesses make the mistake

of printing their logo in one form on their business cards and use a different look on the letterhead. Sometimes there is even a third variation on another printed piece. This lack of solid and consistent identity creates uncertainty in the mind of the customer and weakens the image of the company. With gaining new business being difficult as it is, we need to use every opportunity possible to make it easier to get more business. By staying with the same logo look, in every place it appears, we automatically give ourselves an extra edge with the customer.

There is a possibility that you may want to update your logo design in the future. Now is your chance to plan for that possible change. Does your logo choice lend itself to a slight change or update, while retaining the same basic look? Remember that your logo must still be recognizable to the world so that you don't chance losing existing loyal customers.

Choose your logo wisely and you will have a company identity durable enough to withstand business growth and the passage of time, and still look fresh and exciting in the future.

STRUCTURING YOUR BUSINESS TO ALLOW FOR GROWTH AND CHANGE

By Attorney Judy Gedge

If you were buying clothes for your 8-year old son, would you buy clothes that only 'just fit' on the day he tried them on in the store? Surely not. You'd buy clothes with 'room to grow'. The same principle applies when you choose the structure for your business. You don't want your business structure to 'just fit' your needs today. You want it to fit your current needs as well as your future needs as your business grows and changes.

Perhaps your business is currently structured as a sole proprietorship. It's certainly a simple form of business entity. For instance, you don't need to make any filings with the Secretary of State. But as a sole proprietor, your business structure provides you no protection from personal liability so, in general, all of your personal assets are exposed to the risks of your business. You may have felt comfortable with this structure when you first started out (or maybe you didn't want to incur the expense of incorporating). But you'll want to re-visit that structure from time to time to determine if it still meets your needs.

Incorporating your business (whether as a corporation or an LLC) can provide you protection from personal liability. It can also provide you greater flexibility in your business planning. Incorporating may be the best structure for implementing a variety of business strategies including:

- Providing ownership incentives to key employees by issuing 'shares' in the company
- Bringing in one or more 'partners' to help you grow the business
- Planning for transition through a sale of the business
- Planning for succession if the business will be owned by your children

If you're in the process of starting a business, make sure you structure it to allow for maximum flexibility in the future. And, if you're an established business owner, you may want to re-visit your current business structure to ensure that it meets all your needs.

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