

Essential Tasks for Every Small Business

Small business owners wear multiple hats. Management, sales, financials, and customer service are just a few of the duties and responsibilities that can overwhelm owners and even staff. It's easy to get lost in the day-to-day operations and lose sight of the fundamentals needed to secure the future of your business.

Use this checklist to help focus on actions that could position your company for long-term success.

Accounting

Choose the most suitable accounting method for your business

- **SELECT CASH BASIS OR ACCRUAL BASIS ACCOUNTING** for your business and note the method when you file your tax return.
 - Cash accounting is a good choice for sole proprietors and service-based companies. It records income and expenses as they happen.
 - Accrual accounting recognizes revenue and expenses as they occur, even if cash doesn't exchange hands at that time. It's required if annual sales are more than \$5 million or if you have inventory and sales over \$1 million.
- **INVEST IN ACCOUNTING SOFTWARE** or hire an accounting professional to help ensure you're on the right path.

Optimize cash flow

- **SET UP A SYSTEM** to measure your cash flow. Your plan should track payables and receivables while projecting future cash levels.
- **CREATE AN EFFICIENT BILLING PROCESS** and consider discounts for quick-paying customers to speed up invoicing.

- **REVIEW PURCHASING AGREEMENTS** to take full advantage of creditor terms. For instance, paying as late as you can without penalty could improve cash flow.
- **USE A SMALL BUSINESS CREDIT CARD** instead of cash when it makes sense. This could free up pressure on cash reserves. Most banks, including Sterling, offer business credit card programs; speak with your Relationship Manager to learn more.
- **MATCH THE TIMING OF YOUR ACCOUNTS** payable to accounts receivable to increase the financial health of your business.

Make smart banking decisions

- **OPEN A BUSINESS BANK ACCOUNT** at the same institution as your personal accounts. It can save time, streamline transactions, and reduce the potential for errors. In the current environment, many banks are offering flexible solutions and cash bank offers which reward you for your full relationship.
- **USE MOBILE BANKING** to manage day-to-day transactions with ease and free up more time for other priorities.

Streamline invoice and collection practices

- **USE REMOTE DEPOSIT CAPTURE** to scan checks and deposit funds without leaving your office. It saves time and gets the cash into your account faster.
- **SET UP MERCHANT SERVICES** to take advantage of business payment solutions, facilitate credit card processing, and enhance transaction security.
- **USE A LOCKBOX SERVICE.** It can provide a centralized processing location to streamline payment collection and record keeping.
- **ARRANGE FOR AUTOMATED CLEARING HOUSE (ACH) SERVICES** as a lower-cost alternative to wire transfers and paper checks. It allows you to choose the date funds enter or leave your account, giving you more control over cash flow projections.

Prepare to finance your business growth

- **PAY OFF CREDIT CARD DEBT BALANCES** and assess existing funding needs to make sure you have proper cash flow without relying on credit cards.

- **SET ASIDE AN AFTERNOON TO ESTIMATE THE FUNDING, STAFF, AND INFRASTRUCTURE** needed to get where you want to go. Keep in mind that financing equipment can be very different from financing inventory or increasing operating capital.
- **SPEAK WITH A KNOWLEDGE-ABLE BUSINESS CREDIT SPECIALIST** or your banking Relationship Manager to ensure you understand how different types of business loans work.

Cash flow is a critical part of any business. The right banking tools, services, and time-saving practices make invoicing and payment collection easier.

While bootstrapping during the start-up phase of a business is normal, you might need conventional funding to grow your business. Establish a solid financial foundation so your business is ready when the time comes.

Marketing

Power your business with a measurable marketing plan

- Establish marketing goals that match your business' priorities. Understand exactly what your business is best at to differentiate yourself from others in your niche.
- **ASSESS WHICH SOCIAL MEDIA PLATFORMS YOUR IDEAL CUSTOMERS ARE USING** and evaluate competitor strategies to expand your audience reach.

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- **ADD A CLIENT REFERRAL PROGRAM** to grow your customer base through word of mouth. It can be the best source of revenue for a business.

Under-marketing is a common pitfall of many small businesses. The availability of fine-tuned analytics can increase the effectiveness of a direct marketing campaign.

Risk Management

Protect your business from financial harm

- **ASSESS YOUR BUSINESS FOR POTENTIAL VULNERABILITIES.** For instance, consider how your company might navigate a cash shortage, economic recession, increased competition, data breach, or natural disaster.

When a business is running smoothly, contingency planning isn't usually at the top of the list. Unfortunately, unexpected events are bound to happen and can derail normal operations.

For tips on Disaster Recovery and contingency planning, [click here](#).

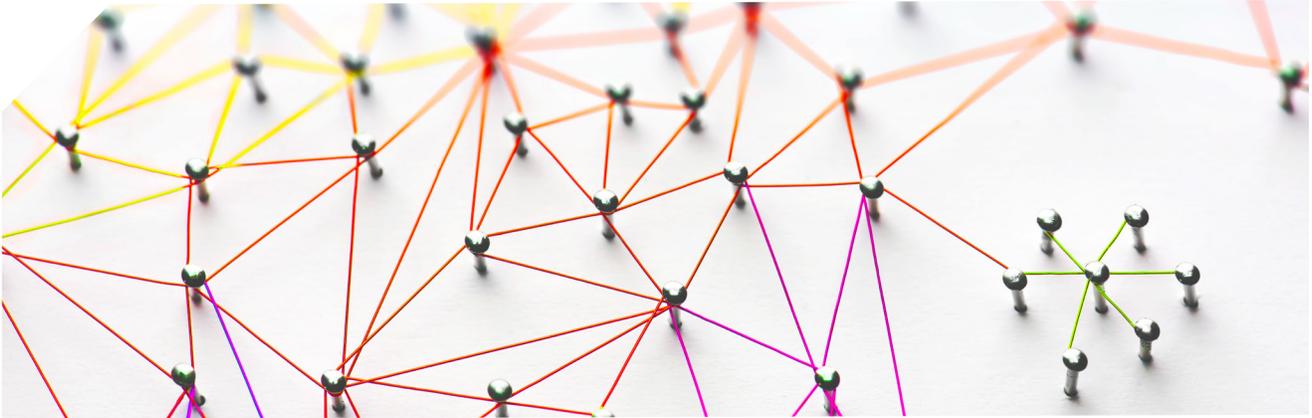
Limit exposure to fraud

- **EDUCATE YOUR WORKFORCE** about social engineering, email phishing tactics, and other potential sources of fraud.
- **GIVE EMPLOYEES SECURE ACCESS** to the software and tools they need to perform their job duties effectively.
- **DESIGNATE SPECIFIC REMOTE WORK DEVICES** to ensure staff isn't accessing sensitive data from personal devices when working remotely.

With more employees working from home, businesses have changed many normal business processes, controls, and working conditions. As a result, companies are more vulnerable to fraud and economic crime.

[Click here](#) to learn more about helpful fraud prevention strategies.





Control risk with personnel insurance

- **INSURE AN EMPLOYEE** who generates a substantial amount of revenue for the business or would be difficult to replace within a short period.
- **INSURE AN OWNER** if their death could trigger a financial crisis when heirs inherit their ownership interest.

Key personnel insurance can financially protect your company if a sudden death or disability could hinder operations. Your business owns the policy and is the beneficiary. This type of coverage is particularly advantageous if the business is trying to get financing or planning a merger or public offering.

Transition Planning

Engage in succession planning

- **PLAN FOR THE LOSS OF A KEY EXECUTIVE** or business partner to ensure a retirement or an unexpected departure doesn't cripple business operations.

- **IDENTIFY OTHER KEY POSITIONS** and create a strategy to find and train potential successors. To prepare employees for leadership roles, make them second-in-command of a division or department.
- **DETERMINE THE BEST RESOURCES** to locate outside candidates.

Remember that your best candidate for a top position might already be on the payroll. It often takes longer and costs more to find and train an external candidate than it does to promote from within your company.

Develop a retirement plan

- **SEEK HELP FROM AN OUTSIDE PROFESSIONAL** to ensure you're following transparency guidelines and meeting your fiduciary responsibilities.

You're ultimately responsible for following proper guidelines if your company offers a 401(k) plan. Your 401(k) provider can help, but you shouldn't solely rely on them. Employees can file lawsuits against employers for excessive fees and poor fund management. An independent advisor can help you periodically review the plan and your obligations.

Whether your business is small or large, new or established, Sterling National Bank can help with tools to keep it growing. Visit snb.com/bboffers for more information. Additionally, talk with your Relationship Manager about how we can help, call Client Services at 855.274.2800, or contact the local Sterling financial center.