Dos and Don’ts From 12 Small Business Finance
If the financial side of your small business has you lost, these experts offer practical finance do's and don'ts to get you back on track.

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Being a small business owner doesn't automatically make you an expert in finance or small business accounting. In reality, most rookie entrepreneurs have to learn the basics of funding, bookkeeping, and what really matters to lenders and investors as they go.

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1. Focus on Meaning, Not Money
"We meet with entrepreneurs all the time and they tell us what they think we want to hear, that they want to make money. When we hear that, it's so depressing. It took me 20 years to come to this understanding, but the companies that are successful are the ones who create meaning. Create the next curve; don't improve on sameness."

-Guy Kawasaki, Chief Evangelist at Canva

2. Remember That Your Team Defines Your Business
"Investors put their money in people, not a business. The better team you have, the more money you will be able to attract. Get people on your team that have industry expertise and that have been there before. Investors want track records."

-Barry Moltz, author of Bounce! and How to Get Unstuck

3. Choose Investors That Care About Your Mission
"For us, fundraising has never been about capital—it's about people. [...] You can almost apply the same lens you do to fundraising as you do to hiring. So for us, when we hire someone it's about their values, their motivation, and their skill set. When we fundraise, it's the same idea. This person is now going to become a part of your community. They're going to be an ambassador for your business. They're going to represent you in an external context. [...] These
folks didn't invest because of the desire to simply make a 10x, 50x, 100x return on their investment. They invested because they really cared about the mission."

-Joshua Reeves, Co-Founder & CEO, ZenPayroll

4. **Leverage Technology to Avoid High Startup Costs**

"Gone are the days when a business needs thousands of dollars in upfront costs just to get started. Today anyone can start a business of their own on a minimal budget through the use of the many online services, marketing and management tools available. Take advantage of automating your business through social media tools like HootSuite, accepting payments and sending out invoices through services like Freshbooks, Paypal and Stripe and also eliminating the need to travel around the world by using live conferencing tools like GoToWebinar and Skype."

-Zac Johnson, CEO of Blogging.org

5. **Don’t Be Afraid of Zero**

"The irony is that it is often easier to raise money or acquire other resources when you have zero revenue, zero customers, and zero traction than when you have a small amount. Zero invites imagination, but small numbers invite questions about whether large numbers will ever materialize."

-Eric Ries, author of The Lean Startup

6. **Stay Hands-On With Your Business Finances**

"Take an active role in your business’ financial organization-be close to the information and pay attention to the numbers. Many small businesses are busy with operational issues, building the business and what not, and may not be creating and monitoring financial reports and cash flows very regularly. Two times a year is not enough-try to do it on a monthly basis at the very least."

-Steven Stapp, CEO of San Francisco Federal Credit Union

7. **Re-think Your Profit Formula**

"The old, been-around-forever, profitless formula is: Sales-Expenses = Profit. The new, Profit First Formula is: Sales-Profit = Expenses. The math in both formulas is the same. Logically, nothing has changed. But Profit First speaks to human behavior-it accounts for the regular Joes of the world."
8. Budget Every Dollar Spent On Your Business
"Successful businesspeople use budgets and realistic sales projections to run their businesses. They know by the 15th of the month how well their business did financially the month prior. They do not spend money on travel, events or trade shows that are not budgeted. They do not hire staff without have the money or contracts in place in advance. They also understand how to use a line of credit. They use it carefully for short-term cash needs, and not long-term funding needs such as marketing expenses."

-Melinda Emerson aka The @SmallBizLady

9. Prioritize Proper Accounting Methods
"Every business owner wants to run a profitable business, but few entrepreneurs dedicate enough time to measuring actual results. The only way to do this is to have a dedicated accounting function. Just as sales can't happen without paying attention to prospects, good financial decisions cannot happen without paying attention to the numbers. It might seem like you can "get along" without accurate accounting during the good times, but it is impossible to navigate lean months without clear financial records."

-David Worrell, author of The Entrepreneur's Guide to Financial Statements

10. Hire Professionals (It's Worth the Cost)
Small business owners aren't expected to be an expert in the finance, accounting, and legal side of the business, which is why there are professionals like accountants, bankers and lawyers out there. Money spent wisely on a good CPA or lawyer will be returned in multiples of extra profit.

-Ken LaRoe, Founder and CEO of First GREEN Bank

11. Know When to Say No
"Don't be afraid to say no to projects. Prove that you're serious about specialization by turning down work that falls outside your area of expertise. The more people you say no to, the more referrals you'll get to people who need your product or service."

-John Warrillow, author of Built to Sell

12. Make Decisions With Confidence
"At the end of the day, you are the decision maker, and you have to have the trust and confidence in whatever decision you make. This isn't always easy. I had investors, advisors, or board members with 20 years more of relevant experience that made suggestions I strongly disagreed with. When that happens, you have to trust your vision and your own ability to think things through more thoroughly than anyone else to guide you."

-Aaron Patzer, founder of Mint.com

Patzer is right on the money here. You can read all the finance blogs in the world, develop relationships with a dozen mentors and advisors, and surround yourself with the best team of professionals. But ultimately, you are the one who has to decide what is right for your business. Educate yourself, then trust your instincts. If you believe in your business and in your ability to succeed, you already have everything you need.

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