

Starting Your Own Business
A Series for Budding Entrepreneurs
Other Issues



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Other issues that I would like to discuss in this final (for now) article is the importance of having your own strategic plan (and your corporate discriminators), non-disclosure agreements, how to develop winning proposals, contracts and your corporate culture (where we will address responsiveness once again).

Strategic Planning for a Small Business

If you have surveyed my web page you know that I have an outline for developing a strategic plan for your use. This plan outline is a compilation from a number of different plans that I have seen used over my years at different aerospace and defense companies. I like this strategic plan outline since it highlights the key areas of business that should be the focus for each small business. You need a strategic plan – yes, even as a one person business, you need to write down clearly what makes you and your business unique.

I have met with enough large businesses to know that when small businesses come to them looking for work, and the large businesses ask, “What do you do?”, and the small businesses answers, “Whatever you need me to do.” The large businesses immediately dismiss these small businesses from any consideration of work. Large businesses expect you to know what you offer – what are your discriminators – so that they can fit you into their business plans where, and if, it makes sense. Don’t look at a large business telling you that they don’t want to do business with you for a particular opportunity as a bad thing. They are saving you the aggravation of a mismatch in capabilities and needs – something that could spell the demise of your business. So, read what I put together about strategic planning – follow it, and define your corporate offer, which are your capabilities. Companies hire you for what you offer, not what you pretend to offer.

Non-Disclosure Agreements

When I started my business, and a new client asked me to sign a non-disclosure agreement, I was not sure what this was all about. I did know that when I worked at large aerospace and defense companies, the execution of a non-disclosure agreement required the corporate attorneys to get involved – something that you always wanted to avoid in business.

As it turns out, the non-disclosure agreement is something that you should always sign with all new clients. It assures your client that you will not disclose company proprietary information to competitors. This is a critical key step to allow clients to share their critical business information with you – a new member of their team.

I strongly recommend that even if your client doesn’t ask to have you sign a non-disclosure agreement, you take the initiative of starting this process. There are a number of agreement types, and I would recommend that if you find an agreement that you like, use this as your model going forward. You may want to ask your corporate attorney to recommend a non-disclosure agreement for you. At a minimum, you should ask your corporate attorney to review the first several agreements before you sign them until you grow more comfortable in this aspect of your business.

Winning Proposals

Most of my proposals for new business are very short – less than two pages. The proposal recaps the discussion I had with the potential client on their needs, and how I can support them, and then tells them how much I will charge. I bill most of my clients on a retainer basis – basically, I propose working for X number of days per month for Y dollars. If I go over the number of days per month, I don't send my clients any additional charges. Likewise, if I do not use this agreed upon amount of days, the monthly billing remains the same. The goal is to make sure that the value your company provides to the client is worth the amount of money they are paying you. That is the winning balance.

Winning proposals focus on the exact needs of the customer, and stay within your corporate capabilities. If you offer a service for which you are not capable, you will not only fail on your offering, you will upset and lose your customer, a future referral, forever.

Contracts

Companies often have their own specific contract style. Some clients require numbered invoices, monthly reports, etc. Others just want a note sent to them requesting payment for your monthly services. Just be sure to follow the required format for each company's contracting officer. If you get into a "style" argument with the company, you will automatically lose this battle on several fronts – you aren't embracing what the company asked you to do, and what they require all others to do; and you are arguing with the person who ultimately pays your invoice. The phrase "biting the hand that is attempting to feed you" comes to mind.

Make sure you deliver what the company contract requires. If you have questions, ask your contracting point of contact.

You may also find that companies do not have a specific contract style. They may use your proposal (the short one mentioned above) as the basis for the contract. That will be fine, just make sure that your monthly invoice matches what the company requires.

Corporate Culture

How have you defined the culture of your company? Do you have an "open door" policy asking your employees for their ideas on how to do business better? Do you reward employees for their hard work, above and beyond the everyday activities required by the job? Have you surrounded yourself by people smarter than you? Or do you "take no prisoners" when there is a problem with the customer, ferreting out the guilty to be fired? Do you run your business "ship" like an award winning cruise line with happy employees, meeting or exceeding customer expectations, or do you run it like a pirate ship, keelhauling the uncaring and whining mates? Whichever way you choose to run your business determines your corporate culture – so will it be open and inclusive, or closed to only the select "chosen" few. In all of the samplings of corporate culture that I have

seen, it is the ones that are open to employee ideas on changes/corrections that seem to do the best.

One example of a negative corporate culture that I found completely amazing was a small company that started when the founder left another business, and took the customer's contract with them to start the business. Later, as this company grew, the founder made all new employees sign an agreement that did not allow them to take customer business with them if they wanted to start their own business. This business was eventually sold, but the employees that stayed on insisted that the founder be removed due to the unrewarding and restrictive environment that had been created.

Responsiveness. You must be responsive since sometimes that is the only difference between your company and someone else's business. I am continually amazed at the delayed response time of some small businesses who I know. Often when I am calling, I have an opportunity that has a short response time. Some of these businesses do not call back in a day or two – in fact, I have had some businesses tell me that they can't meet with me for over a month. That is fine with me since I will take my opportunities elsewhere – to someone who wants the business. So – be responsive. If you are busy, return your call to let someone know that you will call them tomorrow, or several days, but to not return a phone call, or not send an email response is unacceptable, and it will have a negative impact on your business growth.

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