

NEW BUSINESS MINNESOTA

March 2016

What Every Small Business Should Know



Lori Spiess
VirtualOffiCenters

Workspace Solutions



Jerry Kwapick
MidCountry Bank

Business Banking



Kimberly M. Hanlon
Kimberly M. Hanlon Law

Business Law



Jonathan Wells
Wells, Schluter, Hanson

Taxes



Ricardo Ortizcazarín
Cazarin Interactive

Marketing Strategy



Susan Ellingson
Above & Beyond Benefits

HR / Employee Benefits



Ben Lavine
TCS Services

IT Services



Steve Emmer
ADT Security Services Inc.

Security



Chad Pedersen
Better Business Bureau

Better Business Bureau



Bernie Schwab
Spruce Valley Payroll & Services

Payroll



Carlos Monteiro
ClearPay

Merchant Services



Tomasz Baran
CenturyLink

Telecommunications

Special Report

Most new businesses are overwhelmed by the sheer amount of information required to run a successful enterprise. New Business Minnesota assembled its Small Business Board of Advisors, business pros who work with new and small businesses, to share essential information about their respective fields.

Save this issue. You're going to need it.

What Every Small Business Should Know

Here
Is the “Small
Business Board
of Advisors,” Leading
Business Professionals
Offering Tips and
Guidance that Will
Help Your Business
Survive.

*From
the Publisher: Ever
hear that old phrase: “It’s
not what you know, it’s who you
know”? Now that you’ve launched
your own business, you’re going to find
out how true it really is. Wise business
owners, especially when they are very new
and very small, quickly discover they can’t
do it all. Take stock of your strengths and
weaknesses as you read this collection of
essential knowledge. Make sure you be-
come aware of what you don’t know.
There’s more of it than you
might think.*



Workspace Solutions

By Lori Spiess

Lori Spiess CEO of OffiCenters/VirtualOffiCenters has provided workspace solutions to the Twin Cities since 1981. She is an innovator, leader and motivator who helps businesses do their best work. Her company won Most Innovative Workspace 2014 and she made Minnesota Real Power 50 list 2015. Spiess, a recent cancer survivor, has a new motto: Life is short. Work someplace awesome! She can be reached at (612) 349-2712 or lspiess@officenters.com www.virtualofficenters.com

Workspace solutions need to be mobile and flexible. All of us have learned that we must be able to work and provide our customers a variety of services anytime and anywhere. A dedicated space is helpful but often unnecessary to satisfy today's work force. Home is a popular choice because: the commute is great, the dress code rocks, proximity to lunch and coffee rooms are usually just steps away, and also the economics work.

The downside is this, separation of home and work can be challenging. You need to be very disciplined to find good balance. Isolation is a major business challenge and studies have shown that business owners who get out and network or use CoWorking spaces are 85 percent more productive than those who work alone. And, I don't know about you, but there aren't a lot of people hanging around in my kitchen who can provide an inspired work atmosphere. Getting into a community of

like-minded professionals can actually who have great energy and ideas can positively impact your bottom line.

Over the last 35 years, I have worked with thousands of microbusinesses looking to maximize efficiency and minimize capital expenditures. I am delighted to share some of my observations:

1) Image matters. What the client sees will determine their trust level and how they will work with you long term. A solid company has a solid identity. Build your foundation with care.

2) Be safe. Remember, there are security issues when using your home address and your personal cell number. Put a layer between you by setting up a separate address and a dedicated work phone number.

3) Stay flexible. If you don't know what your new company will look like at any time down the road, do not make multi-year commitments on office space or equipment.

4) Be realistic. Some people can work virtually anywhere under the sun. For others, it's a struggle. If you need structure to be productive or if distractions pull your focus, find options that work for you. If a home office works, don't apologize for choosing that lifestyle. Enhance the home experience with CoWorking space and productive work environments. The coffee shop just does not cut it!

5) Sharing is good. Why make commitments to office equipment and long-term leases? You can buy as you go and use space, furnishings and equipment as needed. It really works.

6) Never apologize. Remove the phrases "I'm just" or "We're only..." Be proud of what you do. Small businesses are the backbone of America.

7) WORK AWESOME! Get out of the house and surround yourself with successful and productive people. I know that success is contagious. Be open to opportunities for creative collaboration! Community and networking will help you reach your goals. This can be the difference between success and failure.

At VirtualOffiCenters we have plans as basic as a mailbox to help you get started. We offer networking, educational opportunities and collaboration to enhance your businesses. Choose a workspace solution that will work today and has the flexibility to help you grow into the future.

Call To Action

Be Inspired to Work Awesome! Stop in for a Day Pass to any of our six CoWorking Spaces. Walk-Ins welcome!



Security

By Steven Emmer

Steve Emmer is in small business sales for ADT Security, which provides security solutions from alarms, intrusion protection, camera systems and remote systems for small and medium size businesses. He can be reached at (651) 724-8612 or semmer@adt.com www.adt.com.

It wasn't that long ago that security for your business meant a burglar alarm to thwart break-ins. Because of the explosion in technology – internet, smartphones and more – security now means managing your work environment to protect your employees, your information, your inventory, your bottom line as well as keeping out the bad guys.

The new technology that we're deploying at ADT Security Systems allows you to monitor 24/7 what is going on at your office, store or building. Using your smart-phone, you can control the whole system from anywhere you get 3g service!

Whether you have a home office or a large commercial space, you need to be aware of your security risks and options. Here is What Every New Business Should Know about security sys-

tems:

1) Protect your investment. Insurance may replace whatever might be stolen or damaged by thieves and vandals, but the reality is you're better off if you can either stop or minimize the event in the first place. Features to consider: Monitoring for forced entry, hold-ups and duress events. You might even get a break on your insurance premiums as well.

3) Use smartphone technology to manage your security system. Receive real-time alerts on your smartphone about what is going on back at the office, when the first employee arrives to open up, if the last employee to leave activated the alarm or even if the coffee maker was left on (You can turn it off from your phone). Going to the office on Saturday? Remotely turn up the heat two hours before you get there. If you just need

and a late delivery arrives at the office, you open the door for them and reactivate the alarm when the leave.

4) Keep more of the money you're already making. Just about any aspect of your operation can be monitored and controlled by this technology. When the alarm is set at night, we tie in lighting and temperature levels so that you reduce electricity and heating costs.

5) Work with experienced professionals. Resist the urge to pick up a do-it-yourself security kit that comes with a six-pack of mini-cameras. You want a solution that is right for your location, fits budget and is done right. Our years of experience have taught us where best to put cameras, motion detectors; whether to use key-pad entry, key fobs or ID cards; how to create extra protection zones that limit employee access to highly sensitive areas. And you want a system that is reliable and that provides real time reports you can respond to.

Call To Action

Call today for your free risk analysis at your site and a demonstration the Pulse System (651) 308-6769 and its amazing features.



Business Banking

By Jerry Kwapick

Jerry Kwapick is a Community Business Banking Manager with MidCountry Bank, offering a variety of banking services needed by small businesses of all sizes. He can be reached at (651) 766-7019 or Jerry.Kwapick@MidCountryBank.com. Additional information on business banking offerings and SBA and conventional loan services can be found at www.MidCountryBank.com/SmallPicture

When you're a small business owner, you wear a lot of hats to make your business run, so choosing the right business bank is an important decision. "One size fits all" isn't going to work for you because every business, every person, has unique needs for cash flow, loans, and overall daily banking services.

The right banker advocates for a small business owner. They form relationships in order to understand what products and services will best support the business. That banker will be a trusted advisor; one who helps you align resources to help you grow your business and succeed.

Here is What Every Small Business Should Know about Business Banking:

1) Gain access to a network of trusted advisors. A good business banker has developed a wide network of trusted business advisors including accountants, bookkeepers, lawyers, etc. MidCountry Bank's goal is to understand your business inside and out. Our bankers listen for "pain

points" and when a non-banking issue is identified we can suggest professionals that could provide assistance.

2) Be proactive. Only 30 percent of borrowers come prepared, which is why it's important to talk to your banker well before you apply for a loan or line of credit. Know your credit score and work to improve it, if necessary.

Your business plan starts with goals. Outline what you want, and be sure your banker knows too. Avoid abstract goals and have specific, tangible objectives. What are you trying to accomplish? How much do you want to borrow? How much do you have in your reserve fund? Be prepared to discuss your background in detail and provide specific examples of proven experience. If you've been in business for less than two years, you'll need a business plan and at least two years of financial projections.

3) Have some skin in the game. The bank is a partner, not an investor, and with skin in the game,

you will fight harder to succeed. If you don't have faith, why should your banker? Knowing you're committed, and forming that level of trust drives the banker to advocate for you and endorse your business because they truly believe in what you offer.

4) Interview your banker. Search for a banker who will take you and your business seriously; someone who truly cares. If your banker knows you as a person, not an account number, they know your personal and business goals, your family. . . your needs. Look for someone who is responsive, and presents information in a way you can easily understand it. You may need to interview several bankers to find one who meets your needs and whose core values align with yours.

5) One size doesn't fit all. A good business banker will recommend a custom package of services to fit your business, and problem-solving as a team is key. Whether it's a plan to improve cash flow, or a creative solution to consolidate debt and reduce expenses, by listening and leveraging the vast array of financial services available, your banker will provide options that can help you achieve your goals.

Call To Action

Ready to learn more about MidCountry Bank's array of products and services specifically geared for business owners? Contact me at (651) 766-7019 or Jerry.Kwapick@MidCountryBank.com to schedule a personal consultation, or visit www.MidCountryBank.com/SmallPicture. Member FDIC, Equal Housing Lender.



Taxes

By Jonathan Wells

Jonathan Wells is a partner with Wells, Schluter, Hanson & Co., an accounting, business consulting and tax advisory firm that works with small and medium sized businesses to maintain profitability and capitalize on new opportunities. He can be reached at (952) 881-5343 or jonathan@wellstax.com www.wellstax.com

Taxes are an inescapable part of running any business. But if you plan and prepare for it, you can limit the impact, like rolling with a punch. The key is anticipation and preparation.

For some business owners, tax preparation means filing paperwork by a certain deadline. For tax professionals like myself, it means engaging with my clients to save more money than I charge while complying with all the IRS rules.

Because tax laws are ever changing, you need to review the potential impact on your business and plan corrective action if necessary and make sure to claim every eligible deduction.

Here is What Every Small Business Should Know about tax planning:

1) Work with a tax advisor when planning. If you want an accurate and efficient tax return, seek out an accountant who will have face-to-face

meetings with you, not the ones where you drop off your files and they mail you the results.

Your tax advisor should also be knowledgeable about investing and retirement planning because they are so intertwined with taxes.

Many new business owners need help in handling startup expenses and depreciable items. If they do their own returns, they won't know about their mistake until they get a letter from the IRS. You don't want that.

Tax planning has the greatest ROI you can get from accounting services. If you have any tax liability, you need to do it.

2) Think strategically. This means identifying opportunities that can exist in year-to-year tax differences. For example, in 2013 we knew the Bush tax cuts would expire in the next year, so we made a pure opportunity play to push write-offs into

2014 to soften the tax bite. By choosing to take the write-off later rather than sooner, they saved nearly 10 percent.

In just about any tax season, there is always some new twist or challenge you need to respond to. This is the first year of the penalties under the Affordable Care Act. Do you know how you're going to deal with it? Will it impact you?

3) What business entity are you filing as? It's pretty common that small businesses choose the wrong business entity. There are three different types of income – earned, passive, and portfolio – and you need to know the proper entity type based on your type of income. A mistake in this error can hurt your pocketbook significantly.

Just because you have the wrong entity, doesn't mean you're stuck. You have to have this discussion with your tax accountant.

4) Write offs need attention. I have clients who are too conservative and some who are too aggressive in pursuing write offs. You want to be right in the middle. You need receipts – not credit card statements – to back up your claims.

And don't forget the proper paper work and planning on all amortization and depreciation. DIY filers get this one wrong quite often.

Call To Action

Readers of New Business Minnesota can receive a free 30 minutes consultation.



Marketing Strategy

By Ricardo Ortizcazarín

Ricardo Ortizcazarín is President and Marketing Visionary of Cazarin Interactive, which provides digital marketing solutions for companies of all sizes that are looking to grow revenue. He can be reached at (763) 400-4555 or info@cazarin.com
www.cazarin.com

Marketing is one of those things that everybody thinks they know something about. After all, every day they are exposed to it through emails, phone calls, direct mail, web ads and more. What they don't see is the strategic thinking that goes into designing campaigns that reach them with the right message, in the right medium, at the right time that stimulates their interest to act.

For more than 17 years, I've worked with small business owners to create successful marketing campaigns to grow their businesses and educate them. Based on that experience, here is What Every New and Small Business Should Know about marketing strategy:

1) Establish your value proposition. What makes you different from your competitors? Why should anyone do business with you? What do you have to offer? What makes you stand out? Is it a specific niche; you're open Saturday and Sunday? Most owners don't know.

You find the answer by talking to your customers and listening. Don't look at the world solely from your point of view. You may think it's your

great services, but if customers say it's the affordable rates, you had better make that part of your marketing message.

I highly recommend talking to your best customers on a regular basis so you know what you are doing right. And you might even learn how to do it better.

2) Identify which customers are best for your business. I like to describe customers as being rabbits, elks or elephants. For a detailed explanation go to www.cazarin.com/videos/

Rabbits are small budget and you need a lot of them to make a profit. Elks are the perfect customer with the highest profit with the least acquisition cost. Elephants are very large customers with large budgets that use up a lot of resources.

Know your ideal customer and focus on how many elks, rabbits and elephants you want in a month. Maybe your goal is one rabbit and three elks a month and one elephant a year. The important task is to know what you need and have a vision, a goal of the type and size of the customers you desire to attract.

3) Set goals and measure the results. Effective marketing is planning, measuring and fine tuning over time. It should be an ongoing effort, not a one shot deal.

You need a goal, like four to six new clients every month totaling a minimum of \$40,000, or a telemarketing campaign that must provide two qualified appointments monthly. This will help you set your budget.

4) Understand "Concentric Marketing." That means your website is the central pillar of your marketing. It is where you can talk in detail to your elk, elephants and rabbits about how you can meet their needs. The goal of your postcards, radio or TV spots, print ads and any additional marketing tactics is to send your prospects to the web site.

5) Work with marketing professionals. Small business owners who do it themselves often find marketing pushed aside for other pressing matters. They have no time to execute a campaign. They lose momentum and the sales pipeline shrinks.

They are better served working with a full-service marketing company that will handle all of it, from research to design, to print and implementation. Ask if they can spread costs out over time to avoid heavy up-front costs and make it more affordable and predictable. My clients appreciate that.

Call To Action

Readers of New Business Minnesota are invited to receive a 30 minutes of free advice if they mention this article. To learn more, contact Ricardo at (763) 400-4555 or info@cazarin.com



Managing Payroll

By Bernie Schwab

Bernie Schwab is a Partner, President of Spruce Valley Payroll & Services, which provides payroll services to small and medium-sized businesses. The company provides high-level and high-touch customer service for its clients. He can be reached at (952) 894-6282 or bernie@svpayroll.com
www.svpayroll.com

It's not uncommon for harried new business owners to make errant assumptions. There's so much to do and so little time. Instead of finding out what something actually costs, they just assume they can't afford it.

That's especially true of payroll services. When I tell prospective clients about payroll, they say, "That's it? That's all it costs?" Once we get past that obstacle, they find there is much more to payroll than they imagined.

Here is What Every New Business Should Know about payroll:

1) Tax compliance is critical and complex. Over the decades, multiple layers of state and federal rules have sprouted up. There are continual changes in state and IRS reporting re-

quirements. Changes may affect things like pre-tax adjustments for retirement plans, insurance benefits, health savings accounts, garnishments and child support. One mistake will cost a lot in penalties. Some businesses fail because they don't pay their taxes on time. We have seen a small business working with another payroll provider have a \$128 tax payment balloon into over \$2,000 in penalties and interest over a nine month period. Having the right payroll partner that understands the rules and regulations is critical in paying and filing your payroll taxes correctly and on time.

2) Manage your cash flow. It's a fairly common practice for most payroll companies to impound/collect your tax monies prior to them being due

to the government agencies. Depending on your company's required deposit frequency, they may hold onto your tax money up to 90 days. Holding your tax money allows them to earn the interest on it before making the payment to the government on the actual due dates. Spruce Valley does not impound/collect your money in advance – you earn the interest on your money. Instead, we notify you when the tax is actually due and we initiate the transfer directly from your bank account to the appropriate government agencies. That gives you control of your cash flow.

3) Don't overlook quality of service. When you have payroll questions, you want immediate answers. Who picks up the phone? Is it someone at a central call center providing answers off a FAQ sheet? Do they understand your issues? Most business owners don't know what they don't know. You shouldn't have to be your own advocate. The team at Spruce Valley Payroll & Service acts as a personal advocate for our clients – we lead and guide them through every step of the payroll process.

4) Focus on your business. Ultimately, the main benefit of outsourcing payroll is to help startups focus on their core business. There is a cost of opportunity involved when you invest your time doing payroll when you could be working the phone to drive in more revenue for the growth of your business.



Better Business Bureau

By Chad Pedersen

Chad Pedersen is Director of Business Development for the Better Business Bureau of Minnesota and North Dakota (BBB), which works to advance marketplace trust by setting standards, creating a community of trustworthy businesses, calling out and addressing substandard marketplace behavior, celebrating marketplace role models, and helping businesses promote the trustworthy reputations they have built. He can be reached at (651) 695-2451 or ChadPedersen@thefirstbbb.org thefirstbbb.org.

One of the most valuable assets every business has is its reputation. All new businesses start out with a perfect one. Then customers enter the equation, and that's when the process of building trust truly begins. In today's marketplace, however, it's no longer enough to simply build your reputation. You have to constantly protect and maintain it. This is just one of the things Better Business Bureau can help you with. We offer a wide variety of programs and services that can help you with marketing, networking and building your brand. Here is What Every Small Business Should Know about BBB:

1) We are not a government agency. Founded in 1912 in Minneapolis, BBB is a nonprofit organization funded by dues-paying businesses that support our mission of advancing marketplace trust. We receive no government funding, nor are we an enforcement agency. We promote the highest standards of business ethics and conduct by encourag-

ing self-regulation.

2) BBB connects consumers with trustworthy businesses. BBB may be known for handling complaints (Last year we processed nearly 24,000 complaints with a 90% satisfaction rate), but the majority of our interactions with the public involve pre-purchase research. In 2014, more than 4 million BBB Business Reviews were accessed through our local website to find local, trustworthy businesses. BBB Business Reviews and online directories for local Accredited Businesses are search engine optimized, helping customers to find your company's information online with all major search engines. We provide BBB Accredited Businesses with helpful statistics on how many times (and from which ZIP codes) their BBB Business Review and online directory listings have been accessed.

3) Meeting our high standards builds trust. To earn BBB Accreditation, you must be in business at least one year and agree to several principles: ad-

vertise honestly, make good faith efforts to resolve consumer complaints, be transparent in how you do business, safeguard privacy, as well as embody integrity, truth, and trust. BBB Accreditation is an honor, and must be earned. All businesses that apply for accreditation are thoroughly vetted.

4) BBB is a risk management tool. A century-plus worth of experience has shown us that many typical business-related issues can be avoided or successfully managed if action is taken early. We have helpful tips for businesses regarding: ethical decision making; data security; customer privacy; and alerts about fraud targeting area businesses. In addition, we offer pre-complaint assistance and mediation services to our Accredited Businesses to head off potential problems with customers.

5) Co-brand, learn and network with BBB. Accredited Businesses can use the BBB seal on their websites, vehicles and marketing materials. Our online Dynamic Seal also links directly to your BBB Business Review, as well as with our special Accredited Business Online Directory to help potential clients find you online and through BBB. To keep our Accredited Businesses informed and connected, we host monthly Focus Luncheon seminars, networking breakfast orientations, mixers, and other educational events designed to bring business leaders together to share insights, ideas and best practices.

Call To Action

Start With Trust. Start building your business's reputation and trust in our marketplace today by registering with BBB at bbb.org. To learn more about BBB and Accreditation, visit thefirstbbb.org or call (651) 695-2451.



Telecommunications

By Tomasz Baran

Tomasz Baran is Field Sales Director for CenturyLink, global and local communications, hosting, cloud and IT services provider. We have invested and innovated to give you the tools you need to succeed, and we'll be there to support you as your company grows. He can be reached at Tomasz.Baran@CenturyLink.com

CenturyLink gives small business advanced tools that power growth and backs that up with local experts who understand your needs, know what solutions to recommend and are there to provide support every step of the way.

Here is What Every Small Business Should Know about Telecommunications:

There are a lot of buzzwords going around telecommunications these days: Cloud, Fiber, VoIP... the list goes on. The most important decision you will have to make is finding a provider that has the network, technology and support for your business now and in the future, even as new buzzwords are developed.

1) Internet – Fiber, Ethernet, GPON - these are really just different methods of transport to get to the Internet. Whether your business operates locally or across the nation, you rely on staying connected with your vendors, partners and customers. From simple, off-the-shelf solutions to customized net-

work architecture, configuration and management, the right provider offers a range of Internet and data networking solutions that work best for your business applications.

2) The Cloud – Ask three different people what the cloud is and you'll get three different answers. The Cloud, simply defined, performs IT functions (storage, server space, computing, etc.) in offsite data centers vs. having it on your premise. This will allow your company to eliminate the high capital investment, ongoing maintenance, and labor cost. It will also allow you to adapt for growth and have business continuity in monitored, secure environment.

3) Disaster Recovery – Now that you have your business, you want to protect it. It is not just hurricanes, tornadoes, fire and other disasters that can cripple your business. There are far more common events like viruses, mis-configured networks, and power outages. Ensure your data is safe and sound

with business data protection solutions. Partner with a provider that offers critical backup and high capacity off-site secure data storage, to cloud-based recovery and continuity service – and at much lower costs than conventional redundancy solutions.

4) Voice Service. What you really have to ask yourself is what part does voice play in your company? How do you communicate with your customers, how do your customers communicate with you, and how do you communicate with your employees. Flexible, scalable and reliable business phone service that you can count on. Whether you need IP-based or traditional business phone service, the right provider will go above and beyond to ensure that you get the right technology for your needs.

5) Equipment – Whether it is phone or data equipment you might need, right telecommunications equipment can help you get the most value out of your voice and data services. You want a provider that listens to all of your business needs before providing the perfect combination of business communications equipment, service and local support to help your business grow. And you'll get it all from one company with support that goes beyond installation.

Call To Action

If you are interested in finding out the best solutions to fit your business, CenturyLink is here to help. He can be reached at: Tomasz.Baran@CenturyLink.com or go to CenturyLink.com/business/



HR /Employee Benefits

By Susan Ellingson

Susan Ellingson, founder of Above & Beyond Benefits, is an independent licensed insurance agent with diversified certifications who works with small and medium sized business owners who need help managing their employee benefits and human resources. She can be reached at (952) 935-1133 or Susan@AboveBeyondBenefits.com www.AboveBeyondBenefits.com

Whether you're hiring for the very first time or have managed employees for years, the idea of a benefits package is simple: find a good plan that is cost effective and is attractive to employees.

The reality, however, is a lot more complex.

With increased costs for benefit plans plus the new HealthCare Reform rules and regulations, navigating the minutiae of benefit packages and compliance has become very complex and time consuming.

For a small business, efforts to grow the business could take a backseat to facing the complexity of navigating potential packages and compliance.

Using a benefits advisor to serve as a professional guide will help a small business avoid potential

roadblocks, find ways to save money, and educate employees.

Regardless of where you are in the process of employee benefits and human resources, here are some items that every small business should know:

1) Competing for/ Retaining Employees Offer attractive benefits packages that include wellness plans, rewards and incentives. That can give business owners an edge in hiring and make employees feel valued. My goal is to put together a benefits package to meet their budget and keep them competitive. You can hire better people with better packages.

2) Customized Benefits. One-size-fits-all has been replaced by customization: individual plans for employees or defined contribution plans to

cover health, dental, disability anything you want to offer. It could include a bucket of money to spend on the programs you set up. Young employees may want options that are different from more mature workers. Employers I counsel are surprised that they can afford to offer more options than they thought possible.

3) Employee Handbooks. Every business with employees should have one even if it's just a basic outline. It should establish guidelines so employees know what is expected and you could hold them accountable. Its value becomes most clear during critical events, such as employee termination or an employment-related lawsuit.

The handbook should be accompanied by thorough job descriptions for each position. If a new hire says they can do the job description and it turns out they can't, that's grounds for termination.

4) Use a Professional Guide. An advisor searches the market for products that meet the needs of your business at no additional cost. Consultants like me will help employees find the right solution. I do group presentations, phone counseling and face-to-face sessions. This is especially valuable when it comes to the ever-changing health insurance plans under the Affordable Care Act.

A benefits advisor becomes the HR face for your company and fields all benefits questions. Working with a benefits advisor ensures that you spend less time dealing with time consuming problems and more time focusing growing your business.



Business Law

By Kimberly M. Hanlon

Kimberly M. Hanlon is the founder of Kimberly M. Hanlon LLC, a boutique law firm that focuses on business, estate planning and probate. She helps businesses of all sizes with what matters most to them. She can be reached at (612) 206-3701 or email. kimberly@khanlonlaw.com www.khanlonlaw.com

It's a dangerous world out there. As a new business, you can make rookie mistakes that can lead you to an expensive courtroom. Then, when you grow and become as successful as you plan, you'll have assets that make you more vulnerable to a lawsuit.

The time to reach out to a lawyer is before you are ever in trouble. Use your lawyer as a trusted business advisor so you have someone who understands your business and can help you avoid the land mines that await you. Put in place a foundation that will allow you to grow with all the right protection measures in place.

Here is What Every Small Business Should Know about business law:

1) It's better to protect than defend. And it certainly is cheaper. Each of the following represents the most common chinks in your liability armor. Disregard them at your peril.

- Keep your business and personal banking separate.
- Keep a corporate record book that shows major

company decisions, even if it's a one-person company.

- Hold an annual meeting. If you are a corporation, it is required by law. An LLC isn't required to, but should. Best practices.

- Renew your business entity every year. It's easy to do online with the Secretary of State's office.

2) Relationships need agreements. You really should have agreements for all your key relationships: clients, suppliers, vendors, etc. For clients, it could be a sales agreement or service contract. For those who work for you, you can avoid disagreements and misunderstandings if terms are spelled out. For my clients, I create highly customizable contracts they can use over and over because it fits their business.

The last thing you want to defend (or enforce) is an oral contract, which is where things get really expensive. Put it in writing.

3) Independent contractor protection. Many small business owners rely on independent contractors these days. Beyond issuing a form 1099 to them each year, you need to make sure they qualify as an

independent contractor and to have an iron clad independent contractor agreement in place. Misclassifying an employee as an independent contractor will earn heavy penalties from the state and IRS. Plus, if an independent contractor who was misclassified comes back and sues you, you could face triple damages. It is a trap for the unwary. Play defense from the beginning.

4) Policies and procedures. Unless you plan on doing everything yourself, you will need policies and procedures to guide your workers. With a concrete plan in place you have a way of telling others how your company greets customers, how it follows up with inquiries or what the decision making process is. It ensures that everyone is on the same page. It also means when you want to sell the company, the buyer will actually have something to step into with a plan to follow. It's a valuable tool for creating an asset that is saleable. Buyers don't ever want to hear you say, "It's all in my head."

For my clients who need help, I draw on my experience as a business owner and lawyer to help set up their policies and procedures. I've been through it all before on a personal level.

Call To Action

Visit the small business legal services pages at www.khanlonlaw.com for free download guides to choosing a business entity, hiring and firing, independent contractors, establishing business agreements, trademarks, business succession planning, and more. Listen to Kimberly's podcasts at www.themallbusinessbuzz.com. For a free legal consultation, call (612) 206-3701.



Merchant Services

By Carlos Monteiro

Carlos Monteiro is Regional Director of Clear Pay Financial Solutions, which provides businesses of all sizes with merchant services, including credit card, gift card processing, loyalty debit, EBT checks and ACH. To learn more about how merchant services can help your new business, call the local office at (612) 605-6453 or carlosm@clearpayfs.com

Often businesses think they're too new or too small to take credit cards. In today's marketplace, as soon as you have a customer, you'll be asked: Do you take credit cards? There are several ways your merchant account can be setup. You should have a good overall view of what is possible with pricing and technology so you'll know how to respond as you grow. Do you have the right fit for your business needs?

Here is What Every Small Business Should Know about merchant services:

1) Your customers expect you to accept electronic payments. Whether it's a credit card, debit card, EFT (Electronic File Transfer) or ACH (Automated Clearing House – or e-check), you have to be prepared to do business the way your customers want.

In fact, you should be aware that there is a gen-

eration change taking place in how people want to pay for things. If you're marketing to Generation X and Ys and Millennials; they barely know anything about checks and hardly ever carry cash. The common theme now is compliance and ability to accept Chip and Pin cards and Mobile payments (Apple Pay).

2) Your company is never too small to use merchant services. Many entrepreneurs are scared away when they hear about monthly fees, minimum volume requirements or contracts. I spend a lot of time explaining to clients that the key is to find what works best for their present needs and that may not include contracts or leases. If your business volume is up and down then ask for no monthly minimum, it is possible! Find a provider who will help you sort it all out and set your account the best way for you and maybe even allow

you flexibility if you need to change how you may need to accommodate your customers.

3) Know your terminology. To get the best rates, you need to know the difference between wholesale/interchange and bundled/tiered rates. ClearPay offers wholesale rates to all of our clients regardless of size and have access to multiple networks allowing us to pick the best options out there for you. The recommendation is often determined by your business needs. Please remember your overall fees can vary depending on whether a transaction is key entered or physically swiped.

4) Understand your statement or your quote. Ask for explanations for all discounts, surcharges or additional fees that will appear on your statement. Most people struggle with this because of the jargon and technical detail. Ask your rep for a review. You should be reviewing your account annually, so you are always getting the best value based on your changing needs. We are always open to helping you understand your current situation even if you are not one of our clients.

5) Use the technology to best fit your needs. Retail locations may need a Point of Sale system or a terminal on a high-speed connection. A service based business may only need a mobile application or a virtual terminal for flexibility. A B2B may need automated recurring billing or have the need for a customer data base for repeat business. Know what your end goal is when choosing the right product. This might be the deciding factor on how your process will be for you and your customers.



IT Services

By Ben Lavine

Ben Lavine is President at TCS Services; a Minnesota Metro-Area based IT and Technology Consulting Company, specializing in the technology needs for home base, small- and medium-sized businesses, ranging from help desk support to ground up network builds and maintenance. He can be reached at blavine@tcsforyou.com www.tcsforyou.com

As a new business, one of the most important investments you can make is to ensure you have a local technology consultant who you trust, who knows about your business, and who can manage your computing infrastructure and guide you in your technology growth.

You have an accountant (for obvious reasons) and a lawyer (for even more obvious reasons). A local technology consultant or solution provider is no different. When things go wrong, you want someone you can rely on to make it right again. Better yet, you need someone to help avoid those problems.

Here is What Every New Business Should Know About IT Services:

1) Needs Assessment. Identify your technology needs. Ask questions like: How many

employees will need to use a computer? What are the hardware requirements of the business software I plan to use? Will I have employees working outside the office? Will I require a server? This will help your Local Technology Consultant determine how to build your network in the most cost effective way.

2) Equipment purchase and network build. Once your consultant has helped build a solid network plan, it's time to acquire the hardware. Your Local Technology Consultant should have a relationship with a Tier 1 hardware vendor such as Dell, HP or IBM. This relationship gives you access to business class hardware at wholesale prices. Something you just can't get at the big box stores.

3) Data Backup and Disaster Recovery. Your consultant must ensure that your valu-

able company data is being backed up and secured. There are three types of backups to consider. 1) Live: data that is on the computer you work with daily. 2) Local Copy: data that is backed up nightly to an external hard drive or tape drive. 3) Off-Site Copy: data that is backed up nightly to an off-site location, usually over the internet to a third-party server or a remote storage device you own. A monthly verification of the backups should be performed to ensure that the data is useable if you should ever need it. Sixty percent of companies that lose their data will shut down within six months of the disaster.

4) Antivirus/Email Security/Firewalls. Viruses, malware and spam all lead to computer and network corruption which directly affects your downtime. It takes an average of three minutes online to pick up a virus today. This is not a place to skimp.

5) Local Technology Consultant Costs. Many IT firms have adopted two types of business models. 1) "Break Fix," which means you break it they fix it for a set hourly charge. 2) "Managed Services," which means a flat fee per computer per month for a proactive approach to IT service. "Unlimited Onsite," which means unlimited calls to help desk, and unlimited remote support by controlling your PC from their office to assist in repairs.