

Are you ready to grow your business?

Whether you feel your business is ready to diversify its service offerings, enter new markets, or branch into new territory, a strategic and operational plan for growth is a must.

■ Know when it's time to grow

You can only grow when business indicators show that you are ready for growth. As Carey Wilson of the Maryland Small Business Development Center observes, "The indicators are different for different industries. If a retailer or restaurant is finding great acceptance of their product or service offering, that owner may say, 'Let me find another market with the same demographics, and we've got the financial stability to grow this business.'"

■ Use and adjust your business plan

A business plan is an essential aspect to both starting and growing a business. Ask these questions about your capital assets:

- How is the capitalization working?
- Where did the initial capital come from?
- What did it cost?
- How current are you in paying it back?
- Do you have the capacity to take on more capital?

You should also consider your audience. Any business plan needs to be geared to all the stakeholders in a business – from those who are providing the capital to outsourced agencies, as well as your management team.

■ Use available counseling resources

There are many resources available to business owners to help them keep tabs on their business plan or to update it. Visit **www.business.gov** for access to

over 90 business plans, podcasts, videos and other development tools.

In addition, nationwide chapters of the Small Business Development Center and SCORE provide experienced entrepreneur counseling to help you keep your business plan current.

■ Get help with financing

There are many options to help small business owners fund growth – from financial institutions to SBA-guaranteed loan programs. Other options are private sources of capital, typically from outside investors looking for a private placement offering in their community or venture capitalists.

■ Understand the difference between operations and strategic plans

"Strategy is really about answering the fundamental questions of why you're in business: What's our business? Who's our customer? Why are we special? Why are we better than our competition," says Wilson.

"A strategic plan really places you in the marketplace. Whereas a day-to-day operational plan is all about laying the tactical foundation for how you are going to use your business resources to accomplish your strategy."



Featured Small Business:

Dixie Seat Cover Shop Pascagoula, MS

"Singing River Federal went to work immediately, with one-on-one service that let us know we'd made the right choice! They've got great rates and practically no fees, so we financed everything from our business to our vehicles. **It was the easiest and best business decision we've ever made.**"

LISA & GLYN HILBUN



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Choosing a credit card for your small business

If you think a business credit card is just about convenience, think again. Here are three very compelling business reasons for obtaining a business credit card:

- **Prevent intermingling of credit** – If you start intermingling personal and business credit, you negate any protection that being an LLC can afford. A business credit card, used solely for business purchases and expenses, can eliminate this risk as long as it isn't backed by a personal guarantee.
- **Aids good record keeping** – The IRS requires that income and tax deductions for business and personal transactions are kept separate. Business credit cards can help in this regard because they break down expenses by category – making record keeping easier.
- **Help build your business credit** – Establishing the creditworthiness of your company will stand you in good stead when it comes to seeking additional funding.

Finding the right business credit card for your company requires a little more research and comparison shopping than finding one for your personal use. Consider these factors:

- **Choose the right type of card** – Business credit cards come in a variety of flavors. These include corporate cards (zero interest but monthly/annual fees), charge cards (zero interest, no spending limits, but balance must be paid off each month), business credit cards (credit limit and monthly minimum payments), merchant

cards, and so on. To find the right one for your needs, talk to your credit union and be sure to go over the terms of each option.

- **Evaluate interest rates and fees** – Interest rates and promotional APR rates vary across financial institutions. Be sure to check the fine print. For example, after the promotional period is over what will the rate change to? You should also review monthly and annual fees and ask yourself what extra benefits do you get for the fee? Is it reasonable based on your potential spending?
- **Ask about rewards programs** – If you travel frequently, rewards programs that offer frequent flyer miles, airline, hotel, or car rental discounts can be very helpful. Otherwise, look for credit cards that offer points towards purchases made at retail locations, such as Staples or Office Depot.
- **Check for online services** – Can you pay your business credit bills online? Can you transfer funds between accounts? Does the financial institution provide monthly and annual expenditure reports so that you can track expenses by IRS categories? These features make business credit card management a lot easier.
- **Understand repayment terms or grace periods** – While you should do everything you can to pay off your



monthly minimums, protect yourself in advance by researching whether your card provider offers a grace period and what late payment fees you may incur if you go over this time. Remember your business credit score is at risk if you pay late or miss minimums.

- **Know the application process** – Documents you'll need to support your business credit card application include your Social Security number as well as those of anyone else in your company who would be authorized to use the card. You'll also need to provide your business's legal name and address and your business tax ID number, as well as financial documents for recent fiscal years. If you are a new business owner, the financial institution may also require a personal guarantee that makes you personally liable for any unpaid debts on that card, even if you are an LLC. Try to avoid this if you can.



- ✓ No annual fee
- ✓ Low rate of **9.24%**
- ✓ Easy online tools for reporting and tracking

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The entrepreneur
always searches for
change, responds to
it, and exploits it as
an **opportunity**.

– Peter F. Drucker