

Keeping Tabs on Your Competition

To be successful in business, you have to stay on top of your competition. That holds true for large corporations and small business owners alike. By knowing what your competition is up to, you may be better able to position your own business.

There are three main areas to focus on:

Internet Research. The Web has made it infinitely easier to check out your competition. You can find out what the local competition is offering plus get big picture perspectives on trends in your particular industry.

Conducting online research by “Googling” your competition is the first step. You will see links to company websites and possibly find out other interesting facts, such as previous business associations or civic involvement. If you visit regularly, you will keep informed of any special discounts, products, or services your competition offers, which may stimulate you to think about how your business can expand and improve.

If your competition has a blog, read it religiously. Look for other content your competition may publish at other websites, including SlideShare.com for presentations, YouTube.com for videos, Digg.com, and StumbleUpon.com.

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EAPs Help Employees Overcome Personal Challenges

When personal problems occur, it is not always possible for employees to leave their troubles at the door. Domestic hardships, the death of a family member, mental or physical health issues, financial concerns, substance abuse, or severe work-related stress can interfere with an employee's ability to perform effectively on the job.

Recognizing that otherwise dedicated and productive employees can often overcome these problems with some professional help, a growing number of companies are adding employee assistance programs (EAPs) to their benefit packages. According to the International EAP Association's report in 2008 (the most recent full year for which actual data is available), 97% of U.S. employers with 5,000+ employees and 75% with 251–1,000 employees offer access to EAPs in their benefit packages.

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EAPs offer confidential access to a range of social services designed to help employees cope with a variety of challenges. EAP vendors generally provide their business clients with quick and easy access to counseling services for a set, per-employee monthly fee. After contracting with an EAP provider, employers provide their employees with a free, confidential hotline number they can call to talk to a professional counselor. The counselor helps the employee to develop a plan to cope, which may include obtaining additional services, such as psychiatric or legal assistance, smoking cessation or weight loss programs, financial advice, substance abuse counseling, etc.

Many EAPs have staff psychologists who are available to meet with employees in person to discuss their concerns in greater depth, or instructors available to conduct training sessions on stress management, weight control, or other pertinent issues at the worksite. Some EAPs also offer employees assistance in obtaining back-up or permanent care arrangements for children or elderly family members.

According to a 2009 report conducted by the Employee Assistance Society of North America, a trade association for EAP providers, in which a U.S. Federal Occupational Health study of EAP clients is cited, EAPs reduce the number and duration of disability claims, and lessen the demand for more expensive forms of healthcare. Also, employees of companies who are offered these services are less likely to miss work due to mental health issues and consequently, feel more productive.

Compared with other types of benefits, EAPs may be relatively inexpensive. Most EAP vendors allow employers to select the type and level of services best suited to the needs of their workforce. When weighing the options, it is important for employers to verify that the EAP vendor employs licensed, professional counselors and that the firm is capable of delivering the necessary services locally and in a timely manner. Once an EAP provider has been selected, informational materials about the program are distributed to all managers and employees, and a representative of the EAP provider may be invited to conduct an orientation session with employees explaining in greater detail how the program works.

With an EAP, employees have the opportunity to receive help for coping with their personal challenges. When managers notice that an employee is struggling, recommending that the employee call the EAP hotline may be more appropriate than disciplining an otherwise valuable member of the workforce.

How to Finance Your Own Business

Starting a new business can be an exciting adventure. Finding the location, formulating a business plan, and hanging the “Open” sign may fulfill one of your long-cherished dreams. However, securing capital to begin operations during a tight economy can be challenging.

There are a number of potential sources of financing to consider. Some entrepreneurs are able to secure bank loans or venture capital, while others may qualify for a guaranteed loan through the Small Business Administration (SBA). Other prospective business owners turn to family members or friends for financial support.

Typically, personal funds are the primary source of start-up capital, and many successful entrepreneurs have used their own financing to get started. Although some prospective entrepreneurs prefer to assume the risk rather than share the equity by financing their start-ups out of their own pockets, others may be unable to raise sufficient capital from outside sources.

Here are some key reasons why business owners may choose to personally finance their own ventures:

Control. Entrepreneurs are often willing to assume greater risk in order to retain greater control over their businesses. A dilution in ownership could result in a less focused business. Founders who wish to retain control but require start-up capital from outside sources may want to consider including a “**buy-back**” clause in the financing agreement.

Speed and Simplicity. Some small businesses may be launched quickly and relatively easily with personal funds. Entrepreneurs usually have a solid understanding of their business needs and are able to project the initial costs of

doing business. Consequently, they may prefer to avoid the time and intrusion of outside scrutiny.

If you are contemplating starting a business, contact local banks, business organizations, trained professionals, and even family members and friends for advice and support.

Modest Needs. Many owners may be able to begin operations with only a modest cash infusion. For instance, some of the most common types of businesses—franchises, start-ups, and small family businesses—may not require capital-intensive planning at the outset. In particular, service businesses may tend to have lower initial operating costs and a shorter “burn rate” (i.e., the length of time before achieving a positive cash flow).

Expertise Counts. Most start-up businesses require specialized knowledge or expertise that enables the owner to personally manage operations. Some of the most popular ventures are construction companies, restaurants, cleaning services, automotive repair shops, beauty salons, computer repair services, and consulting services. In these types of businesses, many of the start-up costs have already been “paid in the trenches” before the company is founded.

Owning your own company may be an attainable goal. If you are contemplating starting a business, contact local banks, business organizations, trained professionals, and even family members and friends for advice and support. You never know who may be ready to lend a hand. Remember, a sound financial plan outlining your capital resources and requirements is an important first step on the road to fulfilling your dream.

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Follow your competition on social media sites, such as LinkedIn, Twitter, and Facebook. Often, this is where new aspects of their business will be announced, even before it is added to websites. If possible, connect with your competition on these social networking sites. You can also set up alerts at these sites so you are automatically notified when something new related to your competition is posted.

Look for customer reviews of your competition at any online sites, and visit www.compete.com to see the effectiveness of your competition's online presence. You may also want to consider ordering the competition's products online to measure customer satisfaction.

Local Networking. It is also important to make a personal connection with your competition. Join any local business groups that your competition belongs to and attend meetings, or any kind of special event your competition may be hosting, like a seminar or open house, if appropriate. Be sure to get your company's name on the mailing list to receive new product catalogs.

Stay on top of your competition's marketing and advertising efforts—newspapers, Internet sites, radio, local TV, etc. Identify outlets where you could create a stronger public image than your competition. However, instead of imitating your competition, think about how you can differentiate your business based on what you know. If the competition is

discounting a product or service, then come up with a different type of special offer for new customer referrals. Ask your own customers about their preferences. Why are they doing business with you instead of the competition? Customers can be a great source of information.

The Big Picture. It is a good idea to periodically review your company's strategies to ensure a forward-looking perspective within the context of your industry. By attending conferences or events, joining professional trade associations, and keeping tabs on your competition, you can gain insights about emerging trends affecting your business.



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