

BY SUE GIBSON / EXECUTIVE EDITOR

## Risky business

**I**t's 3 a.m. and you're tossing in bed, awake and worrying. In the dark, you stew about your cash flow, whether your assistant Dean is going out on his own (he does) and how to get that slow-paying condo to pay on time (it doesn't). Your mind races but at this hour of the morning there are no answers, only uncertainties. Welcome to what I call the "midnight watch" of entrepreneurship.

I stayed awake too, when I ran my small company for 11 years, and I remember how scary it felt. It is scary because owning a business means shouldering the risk and most of us don't have a bailout.

As an action-minded entrepreneur, you might take the next step: "I'll find a new angle, a new customer, a new 'twist' that will make these problems insignificant. I'll just sell more!" It may not work out that way but it seems comforting at the time.

As growth is the basis of business, I can't say this thinking is wrong, just a path you should consider carefully. Most business experts preach that you tend the home fires first, before you wander far afield. Make it work right, then grow it, they say.

That's good advice. You can't have a fundamentally weak business, an unprofitable one or a dysfunctional one and expect to successfully handle new projects, customers or services. It's too risky and it won't work for long. You'll do yourself more good if you concentrate on a few major goals:

- ▶ Strengthen your operations to make them effective
- ▶ Reevaluate your pricing and production to make them profitable
- ▶ Invest in your employees to make your services consistently good

▶ Remember your strengths and focus your business on them

Of course, these sound easy but they take constant work, as most good things do. There's nothing easy about making a business successful — it's a constant focus for every business, because business involves risk, all the time.

### Carve yourself a new niche

But let's say you think you're ready to try that new angle, seek out new customers or add a new service twist. Our cover story (page 30) has several ideas that might work for you or might be the basis for new twists of your own.

Some of your fellow contractors have gotten great reception from the marketplace, and they're making these niches profitable, with few competitors. Check them out!

Sound good? I recommend before you take the plunge, analyze your options. Last year's March issue included a story ("Time to Add a New Service?" page 70) with guidelines for analyzing a new service from a financial perspective. If you don't have this story, give us a call at 800/225-4569 x2729 and we'll get you one. You can work through the analysis and then get down to your own 'risky business.' — SG

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