



## What it's like to run a SME

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Having thoughts about running your own business? Unsure about whether it is the right step, or if it is, the right time? This blog will give you my thoughts and experiences on running a SME.

I started Osteopathic Solutions Ltd in 2010. I qualified as an Osteopath in 2004 but unfortunately due to spinal disc injury my practice of my profession was curtailed early in 2006. I left Osteopathy, a clinical profession, with no skills and experience in business management and sales. The next 4 years shaped my ability to run my business now. With the need to pay student debt, I changed industry and went into the financial world as a Mortgage & Life Insurance Consultant. This 10 month experience didn't work out, but it gave me a skill I didn't realise that I would be capable at, being sales and marketing, necessary business strength, and determination for the sale. It gave me the ability to be direct in business (i.e. to the point) and confident (with no fear) to make phone calls promoting your business' services.

After this seemingly unsuccessful 10 months I was given the opportunity to work for a company who provide what my business does now. 3 and a half productive years were spent with them. I learnt a lot in that time about business, especially how not to run one.

So why have I told you of my work career between the ages of 23 and 30 years old? Well, it gave me the experiences and skill base that were essential to set up a SME.

**My 1<sup>st</sup> Start Up Tip. Be confident in yourself and before you start the business don't listen to negativity from people.** I remember telling my father of my business start up and was given that possible knock back before I started with "Are you sure you are doing the right thing?" Obviously there are times when you do need to listen to people of more (life) experience, however if you are confident in your start up, then go for it.

**My 2<sup>nd</sup> Start Up Tip. Know your trade before you start up.** I was lucky that I worked for a company who provide what we do. It is essential that you understand the trade you are starting up in. If for example it was a Retail business you were starting up, having at least a few years working within this industry would be essential before you venture into your own business. Starting up without that experience and industry knowledge would not be prudent.

**My 3<sup>rd</sup> Start Up Tip. Be prepared to put the hours in with focused, intelligent, hard work.** In the early stages you will have to put a lot into your start up. Getting your product sellable with the right branding and logo; quality assuring your product; putting together your website (we recommend Wix.com); getting the right suppliers; competitor analysis of product and costs; deciding how you are going to market your product; getting investment funding. The list goes on.

**My 4<sup>th</sup> Start Up Tip. Ask yourself the honest questions "Am I ready for starting my own business?" and "Am I in the right place in my life to start up?" i.e. do you have a young family, with energy and time pressures? Have you not done that travelling that you have always wanted to do? If you are ready then putting in quality work hours at the start up time will start your business well but remember the hard work doesn't just stop there. I am now 8 years into the business and I seem to be working harder than ever, as the business grows each year.**

## **Clients**

Once you get a new client keep them. Provide your service to the highest standard time and again and get your client to trust you and your business, and your business will be their 'go to' supplier for your industry. Most of our business now is repeat business and it is a huge part of my role in just maintaining regular contact with them (but always be mindful on the services you have provided and the possible time frame that they may be in need of them again i.e. don't make your contact so often that you lose that client by annoying them).

But remember there will come a time that you may lose the client. This could be due to you having to increase your costs; a new client contact comes in bringing in a supplier they have used before; or it could be that your service didn't meet their expectations or your normal standards. Remember in life, you can't keep everyone happy, all the time. If it was a mistake or a drop in quality on your part, learn from it.

## **B2B Telesales, Marketing & Social Media**

Although not applicable to all SMEs, telemarketing in mine is absolutely essential in promoting our product. Never be scared of it, as it isn't scary. Remember if you are contacting businesses, the people you are calling are at work and the service you supply is something they need. It is essential that when you are speaking to the person for the 1<sup>st</sup> time that you clarify they make decisions on your service. If they don't you are more often than not wasting your time and theirs. When you start the conversation do not ask whether it is convenient to speak (however do if it is a mobile call due to people driving etc.). If you are calling their office line and you ask this, you are basically giving the person the easy opportunity to end the call. I start the conversation with generally " I will keep the call brief ". I always think if the contact has taken the call then it is convenient for them. When I have calls, if it isn't convenient for me then I don't take them and when it is convenient soon after I call the number back.

Obviously telemarketing is not the only way to build your business and client base. Mailshots and Social Media are essential to drive your sales on. Being of the generation where the internet was just starting to be used during my Osteopathy Degree, it has taken me some time to embrace social media. But embrace it now I have. LinkedIn and Facebook posts, Blogs (like this), You Tube uploads etc. are essential in getting your name known and trusted, and recognised as the experts in your industry. There are some excellent books out there that teach you how to use social media for your business and make quality content.

## **Mistakes**

We are human and all make mistakes. Even successful businessmen like Alan Sugar and Richard Branson have made mistakes, but I am sure when they did they learnt from them, and made sure they never made them again. I have made mistakes and errors of judgement over the 8 years to date that have cost me a fair amount financially, but I have made sure I never make them again.

## **Employees**

This is the difficult part. Employing the right people is hard. My team of Consultants who conduct our service are qualified Professionals and it has generally been a smooth process in their employment. I have employed one who didn't reach the required standards and that was one of my 7 or 8 main mistakes I have made in that I should not have employed him in the 1<sup>st</sup> place. When giving him the job I wanted to give him a chance even though my head was telling me that he wouldn't cut the mustard.

Whether it is Professionals you are employing or Sales or Administrative staff, I give you a big bit of advice now. If their output and work results are dropping, be very wary of why this is happening. If you suspect there is an issue with their attitude to your business and their employment, have a meeting with them and ask direct questions and watch their response. If you have a hunch that something is not right, then you are most likely right and it may be time, and the best for your business that they move on.

Make sure your employees are paid the going rate. You will either get candidates who are not up to the job, or if they are, they will soon move on and leave if they are not financially valued to the level their job should pay.

My last tip with employing staff. Set time aside to monitor their work, even the employees who you think are doing a good job and appear happy in their role.

### **Make Firm & Difficult Decisions**

There are times when you will have to make some firm and difficult decisions which will need a lot of thought. It could be a client who will be putting a lot of business your way but is trying to enforce payment terms that are not in your business' interest e.g. 90 day from invoice payment terms. Therefore you will have to do some 'meet in the middle' bargaining. This may not always be possible and you will need to decide whether you can afford to lose the work if there is no negotiating on payment terms. It could be an employee that has to date performed their work well, but is demanding you to break out of your company pay structure. It is important at these stages you know what profits your business is making. Can it afford this pay increase? Can it afford to lose this employee if you can't make this pay increase? Tough decisions that will need much thought before a decision is made. There will be times when you need to make firm decisions that may be easy to make. I have recently had one where the employee had done good work for the business but his pay demands did not reflect his role and level within the business which led to an obvious 'attitude' towards me and the business. In running your own business, when protecting its name, your other employees and your business' progression, you must accept that you will have to make some decisions that people won't like and that you will not always be liked, even if your decisions are fair and reasonable. Stick to your guns.

### **Payments**

It can be very easy to think that you have emailed your client's accounts email and department with your invoice, the work has been completed and your client contact is happy with the quality of work, and that you will be promptly paid. Then think again. Getting payments for your work can be some of the most frustrating and difficult parts of running a business. If you are working with big corporations with multiple sites, be aware they can be some of the slowest payers. Make sure you have a robust contract of work, which stipulates your payment terms. You also need to put in penalties if late payment is made. If you don't there is no major incentive for your clients to make payment. I have even heard recently that there is a practice in accounts teams at some companies where it is 'pay them after 6 months', even when they have signed your 30 days terms. When it comes to cash flow in a small business, paying your employees on time etc. you have to be firm with clients over payments. Be prepared to lose clients if their payments are dragging on even after numerous email reminders. Chasing payments from the same client all the time is a waste of good business time and will irritate the hell out of you. Many accounts teams like to do things over the phone when it comes to late payments so make sure ALL correspondence is by email. When it comes to invoicing make sure you attached the signed contract in your invoicing email. Then this is very clear that your payment terms have been agreed to. None of us go to work for free. Stay firm and protect your business from late payers, otherwise you may end up with no business.

## **Projects**

Especially in the first few years of running your business, you will have development projects coming out of your ears. They could be SEO for your website; product brochures; long term client contracts etc. My main tip for this is focus on one at a time. Get it done and get it done well and then move onto the next project. But remember don't let these projects reduce your general business management i.e. managing your business' provision to your clients.

## **Medium Term & Long Term Goals**

Make sure you have them. They could be a level of revenue by a certain year; buying your 1<sup>st</sup> business office; having a certain number of employees; being able to regularly compete with certain competitors etc. My main tip with this is don't stress. Sometimes we don't hit those deadlines or goals in the time we wanted. Ask yourself whether that time frame was achievable or realistic. Work hard and intelligently, manage your time well and you will achieve most of, if not all of those goals.

## **Suppliers**

Getting good suppliers I find is one of the easier parts of running a SME, but always make sure they are continuing to work for you. As a new client, you expect the supplier to pull out all the stops to win your business and during their first work for your business, but ask yourself after a year (and two, and three etc.) of using them, are they still pulling out all the stops? Make sure you pay your suppliers promptly. If they have provided you with a good service, pay them immediately. This is something I pride myself on with my business. When it comes to Accountants make sure they are working for your business' future, and not the government.

## **Business & Family Life Balance**

My last point is probably the most important. I live for my time away from work like all of us should. We work to live, not live to work (although sometimes it doesn't feel like it). Of course there is the need to earn a good living for your family and provide for them, however don't get obsessed with this. Make sure your weekends are weekends. Don't look at your emails. Don't get on that work laptop. You will feel better on Monday morning to hit it hard and continue to hit it hard on each work day. Don't neglect the people who are most important to you. Being happy in your life will make you better at running your business and achieve the things you want to.

I recently asked my brother what he thought of running his own business (he is a Dentist and runs his own clinic). He said to me it's a "pain in the arse". From my perspective too, sometimes it can be. But in running your own business you will grow as a person, and become stronger and more confident in yourself. Yes it has it's difficult times, but run it well and you will have many more good times than bad, and remember you will always be the boss.

Good luck.