

Business 101

By Ron DeSimone

Return on Investment

Business is like a machine; you have to put fuel into it if you want to get results out. Your initial investment was the fuel that got your business started. That fuel came in many forms such as time, money, education, and maybe a license or certification. Keeping a business running, like any engine, requires periodic refueling.

In today's fast pace world of increased competition, and changing technology it's no longer adequate to simply make a business plan and repeat that plan forever. Business today needs to reinvent itself every day to stay lean, relevant, and competitive; or risk obsolescence.

Do you regularly invest in every aspect of your business? Most business owners regularly invest time, money, and effort, but many put considerably less effort into information, education, or involvement. Staying in tune with new trends and technology, learning new skills, getting involved in industry issues, and networking are great ways to keep your business on the cutting edge; and the best part is that most of these investments are tax deductible.

Staying informed

Every industry has an undercurrent of issues, market movement, and expanding technology. It makes absolutely no sense to invest time, money, and effort into a business only to ignore the bigger picture of market trends, upcoming technology, and impending regulation. You can't drive your business and take no interest in the industry path. Every trade or profession has a multitude of venues to stay informed, and every business owner should make an effort to:

- Read trade publications
- Join trade organizations
- Regularly attend trade and industry conventions

Trade organizations give power to individual business owners, allowing them to leverage their individual voices to effect change and combat business opposition. They also present opportunities to network with other likeminded business owners to share ideas, information, and brainstorm solutions.

Educate yourself

Invest in your knowledge and professionalism. Many licensed trades or professions have education or continuing education requirements; and even in those groups many do no more than meet the minimum requirements. Are you an expert in every facet of your business? Your level knowledge and expertise is a reflection of your professionalism. Technology can change rapidly, you need to stay on top of your game or you could quickly be left behind and allow more informed competitors to overtake you. In today's world knowledge is king, and customers will gravitate to the experts. There's nothing worse than finding that your customer has more knowledge or information on an industry subject or issue than you do.

You should make it a habit to attend a few classes every year to expand your knowledge and keep you up on new trends and technology; the networking and interaction with other professionals alone will be worth the

time and expense invested in the class. Added certifications will enhance your professional image and add credibility to your advertising, and classes are also a great way to hear other perspectives and ideas regarding common business issues. Knowledge is definitely power.

Get involved

Home Building is one of the most regulated industries in America. There is also a strong undercurrent of anti-growth advocates constantly working to slow down or stop development. Turning a blind eye to these problems, or hoping that someone else will take up your cause is nothing less than gambling with your livelihood. It takes the combined efforts of many minds, hands, and voices to effect change. You only have to pick up a newspaper or watch the news to know that the opposition is more than willing to invest their time and efforts; and their livelihood isn't the one at stake. Are you willing to make an equal investment to protect your business?

Any issue that affects your industry indirectly affects your business. Your particular specialty may not be the focus of the issue, but it will eventually trickle down to you. Zoning, and anti growth ordinances will affect the developer, which will impact the builder, which will affect the suppliers and services right on down the line.

Stay informed and get involved. We are fortunate to have a great network of national, state, and local homebuilder's associations where we can use our collective efforts to accomplish what would individually be impossible. Many hands make light work, so join the effort in some small way and become part of the solution. Keep your business on the cutting edge by continually investing in your knowledge and by staying in charge of your future.