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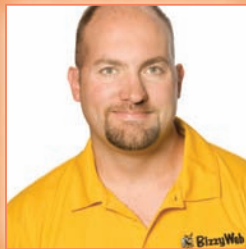
March 2014

What Every New Business Should Know



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Special Report

Most new businesses are overwhelmed by the sheer amount of information required to run a successful enterprise. New Business Minnesota sought out this expanded team of business professionals who work with new and small businesses to share essential information about their respective fields. Save this issue. You're going to need it.

What Every New Business Should Know

Call Them 'The Answer Pros.' These Leading Business Professionals Offer Tips and Guidance that Will Help You During Your First Year and Beyond.

From the Publisher:

Ever hear that old phrase: "It's not what you know, it's who you know"? Now that you've launched your own business, you're going to find out how true it really is. Wise business owners, especially when they are very new and very small, quickly discover they can't do it all. Take stock of your strengths and weaknesses as you read this collection of essential knowledge. Make sure you become aware of what you don't know. There's more of it than you might think.



Web / Social Media Marketing

By Dave Meyer

Dave Meyer, president and owner of BizzyWeb, creates SEO-optimized websites that cross-publish to social media with a single click, saving businesses time and money. Dave frequently speaks on social media topics, and his "Buzz Builders" webinars have been attended by thousands. He can be reached at (612) 424-9990, sales@bizzyweb.com, facebook.com/bizzyweb, or twitter.com/bizzyweb.

If you're serious about your business, you need to be proactive with your online marketing. At BizzyWeb, we help new businesses like yours "Generate Buzz Without Getting Stung!" We offer proactive "Buzz Reports" that easily audit your digital marketing efforts. Here's a few questions to get you started with online marketing:

- Who is your customer? Think about your best and most lucrative customers and answer "Why do they buy from us?" and "What makes us different?" Work the answers into your website and social media conversations.

- What do you need to accomplish? Think about where you need to "move the needle" before you begin any online program. How will you give your customers what they want, or get them to the next step in the buying process? It doesn't matter how many Facebook fans, Twitter followers or website hits you get if you're not making sales.

- Website: Is your website mobile responsive? Is there a call to action right on the home page that's easy to find and tells your visitors what to do next?

Have you paid attention to Search Engine Optimization (SEO) on your website? When was the last time you posted new content to your website? All of these things will improve your rankings and help you to get found.

- Social Media: Have you identified the best target markets for your business? Are you using the right social network for your business? Here's a cheat-sheet for which networks to use, depending on your audience:

- Facebook – General audiences, best "mass appeal" tool, great for retail stores or Business-to-Consumer (B2C) sales

- LinkedIn – Mostly professional and executive audiences, great for networking, market research, or reaching out to decision makers

- Google Plus – Tech-savvy audiences, mostly younger and mobile. G+ lets you take advantage of Google's tools and network, and is a "killer tool" to enhance your SEO

- Twitter – Younger, urban, tech-savvy audiences, perfect for live chats or pushing information to your consumers

- Email marketing: Are you emailing your customers? Email is still the easiest and most cost-effective way of marketing to your customer base with content that keeps their attention on you! Make sure your email campaign carries your branding and messaging through, has a clear call-to-action, and teaches your customer something.

- Paid advertising: Do you need to advertise? Ads on Google or Facebook let you target customers and get your messages to them at the moment they're searching for your product or service. Ads are incredibly affordable and make it simple to target exactly the right people.

- Keep it current: When was the last time you posted something on your website? Did it push out to your social networks with just a click? You MUST keep updating your site and social networks or your fans and customers will lose interest. Keep listening to what they're saying. Set a schedule to check your accounts. Respond to customers and post something new at least weekly.

Online marketing doesn't need to be difficult. If you'd like BizzyWeb to give you a free digital marketing "Buzz Report" audit, go to BizzyWeb.com/Buzz to fill out a form and get started.

Call To Action

To learn more about how to "Generate Buzz Without Getting Stung," get your free Buzz Report at the link above, and check out BizzyWeb's FREE marketing-tips webinars each Wednesday at noon - register at BizzyWeb.com/BB.



Security

By Steven Kreyer

Steve Kreyer is the Small Business District Manager for ADT Security, which provides security solutions from alarms, intrusion protection, camera systems and remote systems for small and medium size businesses. He can be reached at (651) 308-6769 or skreyer@adt.com.

It wasn't that long ago that security for your business meant a burglar alarm to thwart break-ins. Because of the explosion in technology – internet, smartphones and more – security now means managing your work environment to protect your employees, your information, your inventory, your bottom line as well as keeping out the bad guys.

The new technology that we're deploying at ADT Security Systems allows you to monitor 24/7 what is going on at your office, store or building. Using your smart-phone, you can control the whole system from anywhere you get 3g service!

Whether you have a home office or a large commercial space, you need to be aware of your security risks and options. Here is What Every

New Business Should Know about security systems:

- 1) **Protect your investment.** Insurance may replace whatever might be stolen or damaged by thieves and vandals, but the reality is you're better off if you can either stop or minimize the event in the first place. Features to consider: Monitoring for forced entry, hold-ups and duress events. You might even get a break on your insurance premiums as well.

- 3) **Use smartphone technology to manage your security system.** Receive real-time alerts on your smartphone about what is going on back at the office, when the first employee arrives to open up, if the last employee to leave activated the alarm or even if the coffee maker was left on (You can turn it off from your phone). Going to

the office on Saturday? Remotely turn up the heat two hours before you get there. If you just teed and a late delivery arrives at the office, you open the door for them and reactivate the alarm when the leave.

- 4) **Keep more of the money you're already making.** Just about any aspect of your operation can be monitored and controlled by this technology. When the alarm is set at night, we tie in lighting and temperature levels so that you reduce electricity and heating costs.

- 5) **Work with experienced professionals.** Resist the urge to pick up a do-it-yourself security kit that comes with a six-pack of mini-cameras. You want a solution that is right for your location, fits budget and is done right. Our years of experience have taught us where best to put cameras, motion detectors; whether to use key-pad entry, key fobs or ID cards; how to create extra protection zones that limit employee access to highly sensitive areas. And you want a system that is reliable and that provides real time reports you can respond to.

Call To Action

Call today for your free risk analysis at your site and a demonstration the Pulse System (651) 308-6769 and its amazing features.



QuickBooks

By Nick Swedberg, CPA

Nick Swedberg, CPA, Supervisor, and Certified Advanced QuickBooks ProAdvisor at Boyum & Barescheer and Professional Bookkeeping Solutions. He can help and support you at a multitude of levels with your QuickBooks and Bookkeeping. Nick can be reached at (952) 858-5585 or nswedberg@boybarcpa.com www.boybarcpa.com

New business owners often see accounting as the spinach of the business buffet table: a necessary evil. Take a cue from Popeye, who knew what made him so strong. Accounting has power to make every business bolder, better looking and more successful.

Put it this way, reliable accounting will tell you how the business is doing, where it is strong or weak, where you need to invest your energy as well as money and what your business is worth. It will certainly play a role in how attractive the business is to a potential buyer, partner or loan officer.

Trust me, QuickBooks is the best way for you to eat your spinach, especially when this popular accounting software has been set up specifically for your unique business needs. Here is What Every New Business Should Know about learning and using QuickBooks:

1) **QuickBooks is easier to use than you think.** Many new business owners start off fearfully because they don't know anything about accounting and because they may be afraid of QuickBooks. Some avoid QuickBooks altogether then try to create something in an Excel spreadsheet. Others just collect bank statements and receipts then turn them over to an accountant at tax time, which results in a hefty tax preparation bill.

In QuickBooks it's easy to enter transactions, track expenses and revenue and print out reports. You'll save money on tax preparation by having accurate information.

2) **Yes, you can afford a CPA to teach you.** On almost every call I get, business owners hesitate when they hear I'm a CPA and I'll be setting up their books and training them. They think it will be too expensive. They get a free hour of con-

sultation and I can generally do training in two hours that will give them a good foundation. This training will pay for itself during tax season – big time. Getting trained on the front-end keeps you on the right course all year so you won't have to pay to have someone to redo it later. Having a CPA help you set up your QuickBooks is a great way to make sure the data you enter will result in meaningful reports for your tax preparer.

3) **Don't be intimidated because QuickBooks is so powerful.** A lot of people see the icons for payroll and credit cards and just freeze. I recommend customizing the application to your particular needs which will give you a clean desktop without the annoying reminders to add features. QB has five different ways to enter cash and each one can generate a different report. We help identify which ones will best serve you. Keep it simple!

4) **Use reports to know where your business is going.** Training in QuickBooks should also include a lesson in reading profit & loss statements and balance sheets. I encourage everyone to review these each month and understand what they mean so you know where the money was spent and where the revenue came from.

Call To Action

Call Nick for a free consultation to learn how your business can benefit from using QuickBooks.



Telecommunications

By Mark Overend

Mark Overend is Minnesota Acquisition Sales Manager for CenturyLink, third largest telecommunications company in the United States and is recognized as a leader in the network services market by technology industry analyst firms. With regional headquarters in Minneapolis, CenturyLink is an S&P 500 company and is included among the Fortune 500 list of America's largest corporations. For more information contact Mark at (651) 312-5286 or Mark.Overend@CenturyLink.com

CenturyLink gives small business advanced tools that power growth and backs that up with local experts who understands your needs, know what solutions to recommend and are there to provide support every step of the way.

Here is What Every New Business Should Know about telecommunications:

There are a lot of buzzwords going around telecommunications these days: Cloud, Fiber, VoIP... the list goes on. The most important decision you will have to make is finding a provider that has the network, technology and support for your business now and in the future, even as new buzzwords are developed.

1) **Internet** – Fiber, Ethernet, GPON - these are really just different methods of transport to get to the Internet. Whether your business operates locally or across the nation, you rely on staying connected with your vendors, partners and customers. From simple, off-the-shelf solutions to cus-

tomized network architecture, configuration and management, the right provider offers a range of Internet and data networking solutions that work best for your business applications.

2) **The Cloud** – Ask three different people what the cloud is and you'll get three different answers. The Cloud, simply defined, performs IT functions (storage, server space, computing, etc.) in offsite data centers vs. having it on your premise. This will allow your company to eliminate the high capital investment, ongoing maintenance, and labor cost. It will also allow you to adapt for growth and have business continuity in monitored, secure environment.

3) **Disaster Recovery** – Now that you have your business, you want to protect it. It is not just hurricanes, tornadoes, fire and other disasters that can cripple your business. There are far more common events like viruses, mis-configured networks, and power outages. Ensure your data is safe and

sound with business data protection solutions. Partner with a provider that offers critical backup and high capacity off-site secure data storage, to cloud-based recovery and continuity service – and at much lower costs than conventional redundancy solutions.

4) **Voice Service.** What you really have to ask yourself is what part does voice play in your company? How do you communicate with your customers, how do your customers communicate with you, and how do you communicate with your employees. Flexible, scalable and reliable business phone service that you can count on. Whether you need IP-based or traditional business phone service, the right provider will go above and beyond to ensure that you get the right technology for your needs.

5) **Equipment** – Whether it is phone or data equipment you might need, right telecommunications equipment can help you get the most value out of your voice and data services. You want a provider that listens to all of your business needs before providing the perfect combination of business communications equipment, service and local support to help your business grow. And you'll get it all from one company with support that goes beyond installation.

Call To Action

If you are interested in finding out the best solutions to fit your business, CenturyLink is here to help. Contact Mark at: (651) 312-5286 or go to CenturyLink.com/business



Health Insurance

By Becky Taylor

Becky Taylor is the Sales Development Manager with Medica, a health insurance company which provides insurance for every stage of life and for companies of all sizes from sole practitioners to large corporations. For more information call 888-670-7519. www.medica.com

This is perhaps the most confusing year you will have when it comes to Health Insurance with the introduction of the Affordable Care Act. The good news is that it can be easier to understand if you learn the basic ideas and terms that will help inform your decisions.

Here is What Every New Business Should Know About Health Insurance:

1) Know the Health Insurance Enrollment Periods. This is critical because – there are a few exceptions -- you can only enroll in a new plan or change your plan during these enrollment periods. This year, the open enrollment runs from October 1, 2013 until March 31, 2014. The next proposed enrollment period is from Nov. 15, 2014–Jan. 15, 2015.

2) The 60-Day window. After you leave an employer – and their insurance policy – you only have

60 days to enroll in an individual or family plan. If you miss that window of opportunity, you won't be able to purchase health insurance until the next open enrollment.

3) Don't wait until you are sick to get Health Insurance. Some people misunderstand the Affordable Care Act, which mandates all individuals to have health insurance regardless of their health status and requires coverage for pre-existing conditions. They think they can avoid buying insurance, pay the fine, and sign up for insurance if they get sick or injured. That's a bad strategy because you can only buy insurance during Open Enrollment.

4) You can't upgrade or downgrade outside of Open Enrollment. You have to live with the plan you buy until the next enrollment. The exception is for qualifying life events, such as a marriage, divorce, a new baby or if you move to a place that is

not covered by your existing plan. These events will have special enrollment periods.

5) Don't be afraid to call for help. There are hundreds of options in Health Insurance packages. Online you'll find high level information written in insurance language. We can talk you through it to find the best plan to meet your needs.

6) Master the essential terms. You need to learn these key definitions to make informed decisions.

- Deductible - what you have to pay in medical bills before insurance pays.

- Co-insurance – How you and the insurance company splits the cost once the deductible is met. For example: you pay 20 percent, they pay 80 percent.

- Out of pocket maximums - The most you will pay for medical expenses in a calendar year.

- Co-pay. A fee you pay to the doctor, emergency room, hospital, clinic, etc. every time you receive a service.

- Open Access Network – You can go to any doctor in network without a referral. Premiums tend to be higher. Medica Applause is our largest open access network with access to doctors, clinics and hospitals in MN, ND, SD and WI.

- Accountable Care Organization Network (ACO) – You can go to any in-network doctor without a referral, however your network is more localized. With a localized ACO network, the benefits are significant. They allow you to save on your monthly premiums and provide better coordination of care.



Better Business Bureau

By Dana Badgerow

Dana Badgerow is president and CEO of the Better Business Bureau of Minnesota and North Dakota, which has helped local businesses advance marketplace trust since 1912, to resolve customer complaints, promote ethical business practices, and capitalize on the trustworthy reputations they have earned from their customers. For more information, call (651) 699-1111 or visit www.thefirstbbb.org

One of the most valuable assets every business has is its reputation. All new businesses start with a perfect one. Then customers enter the equation, and that's when the process of building trust really begins. In today's marketplace, however, it's no longer enough to simply build your reputation. You have to constantly protect and defend it. This is just one of the things the Better Business Bureau can help you with.

We also offer a number of other services that can help you with marketing, networking and building your brand. Here is What Every New Business Should Know about the BBB:

1) BBB is a marketing tool. The BBB may be known for handling complaints (Last year alone we processed more than 24,000 complaints) but each day there are more than 8,000 proactive searches done on our website by people looking for local, reliable businesses to work with. Nationally, the BBB website is in the top 1 percent

of websites searched. We provide BBB Accredited Businesses with helpful statistics on how many times (and from which ZIP codes) their BBB Business Review or online directory listing has been reviewed.

2) We can help now. The day you start your business is the day you should contact us and complete our Standard Business Questionnaire online. This lets you start building your reputation on BBB.org, and helps thousands of potential customers find and learn more about your company. After you've been in business for one year, you are eligible to apply for BBB Accreditation.

3) BBB is a risk management tool. A century of experience has shown us that many typical business-related problems can be avoided or successfully managed if action is taken early. We have helpful tips for businesses regarding: ethical decision making; protecting data security; customer privacy; and alerts about fraud targeting area businesses. In addition, we offer pre-complaint

assistance to our Accredited Businesses to head off potential problems with customers and clients.

4) Co-brand with the BBB. Accredited Businesses can use the BBB official seal and accreditation on their websites and marketing materials. Our online Dynamic Seal also links to your BBB Business Review (which helps SEO), as well as with our special Accredited Business Online Directory. We also offer a unique marketing program which we've created with Google.

5) Meeting our high standards builds trust. To earn BBB Accreditation, you must sign an agreement to advertise honestly, make good faith efforts to resolve consumer complaints, be transparent in how you do business and other criteria. Businesses that apply for accreditation are thoroughly vetted. BBB Accreditation is an honor, and must be earned.

6) Education and Networking. To keep our Accredited Businesses informed and connected, we host regular "lunch and learn" seminars, orientations, and other educational events. Network and share ideas and best practices.

Call To Action

You can start building your business's reputation today by registering with the BBB at bbb.org. It's a free way to begin establishing your brand. If you're interested in BBB Accreditation or want to know more about the BBB, visit bbb.org or call Rob Stark at (651) 695-2451.



CPA/Taxes

By Joseph Rusche, CPA

Joseph Rusche, CPA, is the Director of Taxes as well as a Tax Partner for Boyum & Barenscheer PLLP. He works with individuals, businesses, trusts and estates providing tax planning and tax compliance services. He has a Masters in Business Taxation (MBT) from the University of Minnesota and coordinates tax services for the firm. He can be reached at: (952) 854-4244 or info@boybarcpa.com www.boybarcpa.com

As a new business owner, learning and understanding various tax components can be confusing and difficult to navigate. Taxes affect all areas of your business from type of entity and operations, to winding down or the sale of the business.

It is imperative you plan out the formation and operation of your business with your selected business advisors which generally include an attorney, an accountant and a banker if funding is needed. These professionals can help you grow your business while keeping you compliant with both for tax and legal requirements.

Here is what every new business should know about taxes:

1) **What type of entity?** Most new small businesses will need to determine if they need a liability shield or not, then if they should form a S Corp or an LLC. How you initially set up your business is important as each type of entity has its benefits and drawbacks.

2) **What type of taxes?** If you form a S Corp or have more than one owner, then you will need to file a separate income tax return. If you pay wages to yourself or others, then you will need to file payroll taxes and withhold the required amounts. All businesses should file Sales and Use tax reports even if there is no tax due. The state of Minnesota is especially diligent on auditing for these.

3) **Apply for ID numbers.** You will need both

a federal and a state identification number. These can be obtained online

4) **Start-up costs.** There are special provisions relating to deductibility of start-up costs. You can expense up to \$5,000 of these costs and amortize the remainder.

5) **What do I need from employees or vendors?** When you hire an employee, you need to have them complete a Form I-9, Employment Eligibility Form and a Form W-4 Withholding Allowance. The IRS is conducting a special project regarding I-9's and the penalties are substantial. You should also get a Form W-9 from every vendor that you use.

6) **What about the termination of the business?** Prior to going too far down the road, plans should be made about what is going to happen to the business, especially if there are multiple owners. It doesn't need to be exact, but discuss the expectations.

7) **What are the special depreciation rules?** Bonus depreciation for 2014 is 50 percent, while Section 179 write-off is \$125,000. This depreciation could create a loss. Be sure your plans include utilization of this potential loss, including adequate basis to deduct it.

8) **What about insurance?** You will need to get casualty insurance for what you own, workmen's compensation for your employees, and liability insurance for what you do.



Virtual Office / Office Space

By Scott Ravenscroft

Scott Ravenscroft is Area Director for Regus, the world's largest provider of flexible workspaces, private or shared offices, virtual offices or just some extra support. There are nine locations in the Twin Cities, with a 10th scheduled to open in Eagan in April. Overall there are 1,800 locations in 600 cities in 100 countries. He can be reached at (952) 921-2352 or scott.ravenscroft@regus.com www.regus.com

Many new businesses choose to have a home office when they first launch. Driven by a concern to preserve capital, staying at home is the default. What they don't know is that they can greatly expand their options by considering a virtual office or executive office space.

A home office has its advantages, but many of our clients find that they need more. Meeting at coffee shops is not always the ideal. They would prefer have a real business address other than their home or a Post Office box. Or they just need a place to go once in a while to get away from the distractions of home.

While a traditional office may seem like a good solution, young businesses can't afford to outfit an office or cover the overhead and rightly fear signing a multi-year lease.

That is why there are services like Regus, where you can affordably add office and

meeting space to augment your home office solution, or take the next step to an office building without the financial risk.

Here is What Every New Business Should Know about Virtual Office Space / Executive Suites:

1) **Flexibility, flexibility, flexibility.** Pricing is à la carte, which means you build your package based on what you need. If needed, you can also easily unload services if it doesn't meet you expectations of needs.

Anticipating your space needs as a startup is difficult so we have learned to be flexible. You can rent by the month, the quarter or the year. If you do sign a service agreement, it will travel with you if you decide a different Regus location is a better fit, whether in town or across the country.

2) **Office Packages.** Offices are fully furnished with brand new Herman Miller office furniture – desk chair, guest chair and a

file cabinet. The furnishings throughout the common space have a very high-end appearance. You get access to staff, common amenities, conference room, meeting rooms, the lounge area and free coffee.

From there you add what you need to complete your package. Choose the level of internet access you need, your phone configuration, answering service, etc. Some packages include a set number of hours for use of conference rooms, or you can just pay as you go.

3) **Virtual Office.** This is a good option for those who have a home office, but occasionally need a place to meet clients or just get away from daily distractions. Depending on what you need, you can have your phone professionally answered; use the Regus address rather than a Post Office box, ship and have packages delivered and more.

Beginning as low as \$25 a month, all of the packages, offer access to the business lounge, a place where you can set up a laptop and get some work done between appointments, when you travel to another city, or when you need to get out of the home office for a change of pace.

Call To Action

We invite you to join us for a cup of coffee and a tour at any of our Twin Cities locations. Just call 1-800- Offices (633- 4237) to set up your appointment.



Energy Savings

By Karen Rhodes

Karen Rhodes is Manager of Energy Efficiency Marketing at Xcel Energy and has responsibility for its energy efficiency programs in Minnesota, South Dakota and North Dakota. Xcel Energy offers more than 30 rebate programs for small and large businesses. For more information on creating your plan, call the Energy Efficiency Specialists at (800) 481-4700 or go to

Successful businesses thrive on efficiency. They look to squeeze every penny, negotiate better deals, and scrutinize every expense, maximize the return on all their investments and drive it to their bottom lines.

In their quest to save, they often overlook improved energy efficiency since it's not as visible or as urgent as other expenses. But there is money to be saved if they only take the time to learn What Every New Business Should Know about Energy Savings:

1) People want to do something, but they don't know where to start. There are all kinds of opportunities to save energy. Some are small, free or inexpensive. Some are expensive, but also involve rebates. Combined, they all help to ultimately drive down our energy bills. The best place to start is to call our Energy Efficiency Specialists who work with small businesses and learn about the myriad programs and rebates available. The most important thing to do is to take the first step.

2) Understand how you are currently using energy. We have online tools that will help you complete an assessment and we have people who will come out and look at your energy bill to figure out where you can save. It's important to find these energy drains. Sometimes it is an electric motor that can be adjusted or replaced. Other times it's as simple as identifying that the lights are left on all night for the cleaning crew that is only there for a few hours. You would be surprised how many larger facilities discover that at times they have heating and cooling systems running at the same time. Having a benchmark is critical and you can only do this with a good audit.

3) Develop your energy plan. This will help you have a logical and affordable approach to reaching your goals. You may not be able to complete your entire plan at one time, but you can identify which projects you can do. Then look at the next item on the plan. Even if you take out one incandescent bulb and replace

with a CFL or LED, it's a start. Do a couple of those and then do the next step.

A plan will also help you make future decisions. If an air conditioning unit goes out, your plan already notes that there is a sizeable rebate available for replacing it with an energy efficient one. Without a plan, it's easy to make an "in the moment" decision to make the cheap fix.

4) Learn about rebate programs. Xcel Energy has rebate programs – more than 30 of them – for just about every situation. It might be more savings than you might imagine. A common misconception is that these programs are only for bigger businesses. Most rebate participants are mid-size and smaller businesses. Again, talk to our Energy Efficiency Specialists. They can find programs that work best for your business and guide you through the whole process, including implementation.

5) Protecting the environment. Money savings is important, but being efficient is also good for the environment. It's put us in a position where we don't have to build additional power plants, which keeps your costs down, too. As we say, the cleanest kilowatt is the one not produced.

Call To Action

Start your energy plan by calling the Energy Efficiency Specialists at (800) 481-4700 or go to www.xcelenergy.com.



Business Banking

By Paul Flood

Paul Flood is a Senior Vice President and Regional SBA Manager with Bremer Bank. He can be reached at: (612) 782-2822
pwflood@bremer.com Additional information regarding Bremer's business banking offerings and SBA services can be found online at Bremer.com

Business banking involves a closer relationship than you're used to with consumer banking. Outside of family, your business is one of the more important things in your life. You should bank with people you trust to care for it.

When done right, your business banker will become a trusted advisor that you consult before making major purchases, big decisions or change in strategy or tactics. In general, expect much more customer service than you are used to as a consumer banking customer.

Here's what every new business should know about banking:

1) Know what you need from your banker. Not all banks offer the same services. Do you

need deposit accounts, credit, international services, payroll processing? Do you need someone to help you make decisions on what you need or just a transactional relationship? Use a bank that best fits your needs.

2) Know what the bank needs from you. It's a two-way street. You need to provide reliable information on a timely basis so your banker can be up to speed with your business. Your banker will benefit from regularly scheduled meetings with you. Keep in mind that the bank needs appropriate lead time for many activities, such as processing a loan.

3) How well does your banker know your industry? It's important to have a banker who un-

derstands your industry and is actively involved with trade organizations and is current on the issues a particular industry is facing. By being actively involved, your banker should be able to anticipate your needs and make referrals to other professionals who focus on your industry.

4) Speed up cash flow with remote deposit and merchant services. Cash is king. Preserve it and protect it. Using remote deposit gets money into your account faster and with less hassle. With merchant services, you can accelerate collections and avoid becoming a financing source for your customers. Understanding your cash flow and cash flow requirements is critical to your success. Your banker should also be available to work with your CPA or bookkeeper to map out your cash flow needs.

5) Be open to hearing new ideas on how you can do things. Bankers generally deal with a cross section of businesses. Many businesses suffer from similar problems that have similar solutions. We are able to share ideas and solutions that have worked for others. We see a lot of transactions, problems and challenges. As a result, we've gained valuable insights. You don't have to take our advice, but staying open to new ideas increases your chances of being successful.



IT Services

By Ben Lavine

Ben Lavine is President at TCS Services; a Minnesota Metro-Area based IT and Technology Consulting Company, specializing in the technology needs for home base, small- and medium-sized businesses, ranging from help desk support to ground up network builds and maintenance. He can be reached at blavine@tcsforyou.com www.tcsforyou.com

As a new business, one of the most important investments you can make is to ensure you have a local technology consultant who you trust, who knows about your business, and who can manage your computing infrastructure and guide you in your technology growth.

You have an accountant (for obvious reasons) and a lawyer (for even more obvious reasons). A local technology consultant or solution provider is no different. When things go wrong, you want someone you can rely on to make it right again. Better yet, you need someone to help avoid those problems.

Here is What Every New Business Should Know About IT Services:

1) Needs Assessment. Identify your technology needs. Ask questions like: How many em-

ployees will need to use a computer? What are the hardware requirements of the business software I plan to use? Will I have employees working outside the office? Will I require a server? This will help your Local Technology Consultant determine how to build your network in the most cost effective way.

2) Equipment purchase and network build. Once your consultant has helped build a solid network plan, it's time to acquire the hardware. Your Local Technology Consultant should have a relationship with a Tier 1 hardware vendor such as Dell, HP or IBM. This relationship gives you access to business class hardware at wholesale prices. Something you just can't get at the big box stores.

3) Data Backup and Disaster Recovery. Your consultant must ensure that your valuable com-

pany data is being backed up and secured. There are three types of backups to consider. 1) Live: data that is on the computer you work with daily. 2) Local Copy: data that is backed up nightly to an external hard drive or tape drive. 3) Off-Site Copy: data that is backed up nightly to an off-site location, usually over the internet to a third-party server or a remote storage device you own. A monthly verification of the backups should be performed to ensure that the data is useable if you should ever need it. Sixty percent of companies that lose their data will shut down within six months of the disaster.

4) Antivirus/Email Security/Firewalls. Viruses, malware and spam all lead to computer and network corruption which directly affects your downtime. It takes an average of three minutes online to pick up a virus today. This is not a place to skimp.

5) Local Technology Consultant Costs. Many IT firms have adopted two types of business models. 1) "Break Fix," which means you break it they fix it for a set hourly charge. 2) "Managed Services," which means a flat fee per computer per month for a proactive approach to IT service. "Unlimited Onsite," which means unlimited calls to help desk, and unlimited remote support by controlling your PC from their office to assist in repairs.

Call To Action

Go to www.tcsforyou.com and "Sign up today for a FREE 2 Hour Health Check of your computer network!"



Managing Payroll

By Bernie Schwab

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It's not uncommon for harried new business owners to make errant assumptions. There's so much to do and so little time. Instead of finding out what something actually costs, they just assume they can't afford it.

That's especially true of payroll services. When I tell prospective clients about payroll, they say, "That's it? That's all it costs?" Once we get past that obstacle, they find there is much more to payroll than they imagined.

Here is What Every New Business Should Know about payroll:

1) Tax compliance is critical and complex. Over the decades, multiple layers of state and federal rules have sprouted up. There are continual changes in state and IRS reporting requirements.

Changes may affect things like pre-tax adjustments for retirement plans, insurance benefits, health savings accounts, garnishments and child support. One mistake will cost a lot in penalties. Some businesses fail because they don't pay their taxes on time. We have seen a small business working with another payroll provider have a \$128 tax payment balloon into over \$2,000 in penalties and interest over a nine month period. Having the right payroll partner that understands the rules and regulations is critical in paying and filing your payroll taxes correctly and on time.

2) Manage your cash flow. It's a fairly common practice for most payroll companies to impound/collect your tax monies prior to them being due to the government agencies. Depending on your

company's required deposit frequency, they may hold onto your tax money up to 90 days. Holding your tax money allows them to earn the interest on it before making the payment to the government on the actual due dates. Spruce Valley does not impound/collect your money in advance – you earn the interest on your money. Instead, we notify you when the tax is actually due and we initiate the transfer directly from your bank account to the appropriate government agencies. That gives you control of your cash flow.

3) Don't overlook quality of service. When you have payroll questions, you want immediate answers. Who picks up the phone? Is it someone at a central call center providing answers off a FAQ sheet? Do they understand your issues? Most business owners don't know what they don't know. You shouldn't have to be your own advocate. The team at Spruce Valley Payroll & Service acts as a personal advocate for our clients – we lead and guide them through every step of the payroll process.

4) Focus on your business. Ultimately, the main benefit of outsourcing payroll is to help startups focus on their core business. There is a cost of opportunity involved when you invest your time doing payroll when you could be working the phone to drive in more revenue for the growth of your business.