

New Entrepreneur Tips

As I wrote yesterday, being an entrepreneur is a roller-coaster ride -- one year you're up, the next you're down. But there are ways you can even out the emotional and financial highs and lows:

- Discover your bread-and-butter business

Do you know what part of your business pays your bills month-in and month-out? Often, the part of your business that covers your monthly overhead seems boring: The customer you've had forever, the product that keeps selling.

Nurture these! Return the call from the longtime customer *before* you call the new prospect. Advertise the product that sells itself as well as the new one you're excited about.

- Pay yourself a set "salary" every month

Instead of spending wildly when times are good, give yourself a set monthly "draw" or salary every month, and put the rest of your income away in a reserve account. Then draw from that savings account when times are tough.

My friend's father owned a furniture store, and during her childhood they were always either rich or poor. Dad either showered them with gifts or they couldn't afford an ice cream cone. That's a tough way for you -- and your family -- to live.

- Open a tax account

Sooner or later, tax time rolls around. Instead of waiting until the end of the year or the quarter, put 20 to 40 percent of every dollar you earn directly into a tax account. Label it as such, and use that money *only* to pay taxes. You'll avoid the panic (and possible penalties) at tax time.

- Take advantage of retirement plans

One of the best tax advantages for the self-employed are tax-sheltered retirement plans. Ask your accountant about these and take advantage of them -- every year. A retirement plan doesn't just save taxes, it significantly increases your -- and your family's -- sense of security.

- Recognize that there are cycles

Generally, neither the good times nor the bad last forever, so try to keep perspective. Believe me, it's as tough to restrain yourself in flush times as it is to cheer yourself up in bad, but try to rein yourself in.

- This is your life -- live it

While the first couple of years in business may be more intense than others, you're always going to have too much to do and plenty of stress. It's tempting to tell yourself you'll get around to other things (spending time with family, taking a vacation, exercising) when work "lightens up."

But if you're really an entrepreneur, this is the life you're going to lead. Find a way to live life now as well as run a company.

Credit – Rhonda Abrams