



SMALL BUSINESS BASICS:
**A GUIDE TO
BEST
PRACTICES**

Starting Your Business
Controlling Cash Flow
Increasing Profitability
Growing Your Business
Protecting Your Assets
Planning for Business Transition

Similar to many small business owners, you likely started your venture because you loved what you do or had an idea you knew would make life easier for customers. As you focus on growing your business, you need practical, straightforward advice on topics like business planning and financial management.

That's why we used our considerable experience in helping small business owners both start and grow their companies to create this Small Business Basics Guide to Best Practices. Use it as a tool to guide your ongoing planning and consultations with the financial professionals who support your success, including your CPA and banker.

Starting Your Business

Be sure of your next step with this checklist:

DONE N/A TO DO

- ☐ ☐ ☐ **Plan:** Develop an initial business plan, goals and competitive strategy.
- ☐ ☐ ☐ **Fund:** Decide how to fund your business and pay yourself. Include business cash projections and their reliability along with other funding sources.
- ☐ ☐ ☐ **Set-Up:** Determine the best legal structure for your business in conjunction with business advisors (attorney, CPA, etc.) Understand regulatory issues in your industry and file appropriate permits and licenses. Register your business and domain name.
- ☐ ☐ ☐ **Financial Software:** Set up financial software to establish good bookkeeping habits and automate recordkeeping. Create a connection between your checking account and your financial software.
- ☐ ☐ ☐ **Bank Account:** Separate personal and business finances with a business checking account.
- ☐ ☐ ☐ **Banking Access:** Set up online and mobile bank account access to monitor your daily cash position, pay bills and make easy transfers.
- ☐ ☐ ☐ **Staff:** Decide how to staff your business, research and understand relevant employment rules, (e.g., full time vs. part time vs. contractor) and set up payroll processing.

Controlling Cash Flow

Use this checklist to guide your approach to payments and receipts today:

DONE N/A TO DO

- ☐ ☐ ☐ **Customer Payment Options:** Use merchant services to offer your clients additional payment options including credit and debit cards, accept payments online and speed availability of funds.
- ☐ ☐ ☐ **Collect:** Actively manage receivables by invoicing promptly, tracking receipts and taking action on past due accounts.
- ☐ ☐ ☐ **Pay:** Use convenient and secure payment methods for making routine and/or large payments such as ACH, wire transfers, etc., and take advantage of early-payment trade terms.
- ☐ ☐ ☐ **Monitor Cash:** Create monthly business cash flow statements to maintain a complete picture of cash movement in and out of the business.
- ☐ ☐ ☐ **Alerts:** Establish trip wires that alert you to business finance issues; i.e., large transfers/deposits/withdrawals, overdraft, low balances, etc.
- ☐ ☐ ☐ **Reserves:** Create and fund a reserve account to cover cash shortfalls from seasonal fluctuations or uneven customer collections.



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Increasing Profitability

We can help you create or assess your plan to make sure you stay on track to meet your business goals with this simple checklist:

DONE N/A TO DO

- ☐ ☐ ☐ **Owner Productivity:** Actively manage your most valuable resource: your time. Focus your energy on the most important business activities and delegate tasks for better leverage.
- ☐ ☐ ☐ **Sales/Marketing:** Create a marketing and sales strategy to focus on the best targets and give sales efforts the best chance of success.
- ☐ ☐ ☐ **Segment:** Know your most profitable customers, industries served, products, services, markets and locations.
- ☐ ☐ ☐ **Pricing:** Review pricing and pricing strategy regularly to ensure you are capturing the full value of your products and services.
- ☐ ☐ ☐ **Competitive Intelligence:** Regularly collect information about your competition's product offerings, new developments, sales tactics and pricing.
- ☐ ☐ ☐ **Budget:** Develop a financial plan and budget to regularly track your progress.
- ☐ ☐ ☐ **Expense Control:** Identify major types of expenses and evaluate ways to track and cut costs.

Growing Your Business

We're here to support you in any way you need in order to maintain financial confidence and have created this checklist to get you started:

DONE N/A TO DO

- ☐ ☐ ☐ **Goals:** Set a growth vision and sales targets to focus your short- and long-term growth activities and motivate your team.
- ☐ ☐ ☐ **Target:** Identify business opportunities by product, service, customer type, geography, etc. Forecast future investment needs.
- ☐ ☐ ☐ **Economy:** Monitor the economic indicators that have the greatest influence on the health of your business, to anticipate opportunities and challenges.
- ☐ ☐ ☐ **Funding Sources:** Evaluate the capital cost, flexibility and repayment requirements of options for financing growth, including personal or business savings, loans from banks and specialty financing.
- ☐ ☐ ☐ **Staff to Execute:** Determine your mix of employee, contractor and outsourced labor sources. Build plans to recruit, hire, pay and provide attractive benefits.
- ☐ ☐ ☐ **Build Credit:** Establish a business credit history and monitor your credit file on a regular basis. Build a relationship with your banker early so you can access growth funds when you need them.



Protecting Your Assets

This checklist will provide you the initial steps in protecting your business assets:

DONE N/A TO DO

- ☐ ☐ ☐ **Separate:** Maintain separate accounts for business and personal finances for easier activity tracking and as a firewall to protect assets.
- ☐ ☐ ☐ **Dependencies:** Understand how your business affects your personal financial plans, and vice-versa. Discuss your combined financial situation with your spouse or other family members.
- ☐ ☐ ☐ **Insurance:** Select the right insurance coverage, e.g. business liability, worker's compensation, disability, life, etc., for your business and your personal needs.
- ☐ ☐ ☐ **Regulatory:** Stay up-to-date on regulatory issues in your industry and maintain appropriate permits and licenses.
- ☐ ☐ ☐ **Tax:** Work with your CPA to minimize taxes and save enough funds to meet tax obligations.
- ☐ ☐ ☐ **Security:** Ensure you have the most up-to-date security protection for your business technology platforms.
- ☐ ☐ ☐ **Fraud Protection:** Evaluate the risk of fraud for your operations and industry. Work with your CPA to set proper separation of duties and financial checks/balances and use online banking fraud protection.

Planning for Business Transition

Start with this checklist to begin creating your plan for the future:

DONE N/A TO DO

- ☐ ☐ ☐ **Succession:** Create a succession plan that considers options for employee- or family- successors while also contemplating potential sale to another company or financial buyer.
- ☐ ☐ ☐ **Retirement:** Regularly assess your retirement plan with your financial advisor to ensure it supports your business transition strategy.
- ☐ ☐ ☐ **Valuation:** Consult with a CPA or business valuation specialist at least three years before your planned business transition to understand the value of the business and the best way to transition.
- ☐ ☐ ☐ **Business Continuity:** Maintain an emergency succession plan to be activated upon the incapacitation or death of key management.

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