



COMMON SENSE BUSINESS PROTECTION

There are any number of things an entrepreneur can do to protect the business which is so important to the entrepreneur, his or her heirs and family, as well as to employees and others dependent upon the business. Some of these are common to almost all businesses, while others are very situation specific. The entrepreneur must live with a healthy respect for "Murphy's Laws." Basically, in a nutshell, whatever can go wrong will, and it will be worse than you predicted. Take those basic steps you can to defend against these inevitable calamities.

- Insure your business. Get a top notch insurance agent who will help you assess your risks and keep your policies up to date. Strongly consider disability and business interruption insurance of some sort, which will pay your overhead obligations in the event of fire or other disaster.
- Keep a set of your critical documents off site. In the event of fire, flood, theft, or sabotage, this will allow you to start reconstruction of critical data, such as tax and payroll records, customer lists, accounts receivable information, suppliers, etc.
- If you use a computer, use a surge protector and uninterruptable power supply. There is no excuse for installing an automatic backup system of some sort. If you use a tape backup, for instance, take a set of tapes home each night and let the system create another set while you sleep. The next day rotate the tapes and take the new one home.
- Make sure you have an up to date virus protection program for your computer. With more and more business being conducted online and employees and others with whom you do business getting their floppies or files into your computers, this is essential.
- Keep you computer password protected. Keep sensitive areas of the computer further protected. Programs can be easily installed to monitor when computers and specific files are accessed, copied or modified.
- Get a fireproof box for important papers and documents on site. Keep the important things in it and take them out only when necessary.

- Know what all your employees and "partners" do and make a "cookbook" of systematic job descriptions and methods. This may allow you or someone else to step in during vacations, sickness, disability, death or departure of your key personnel.
- Keep critical information away from anyone who does not absolutely need to have access to it. Keep it marked confidential and locked up. Do not allow it to be copied unless absolutely necessary. More "secrets" have probably been lost to the office copier than to all other means in the last ten years. Consider using some of the special "copy proof" papers now available, for your special proprietary data.
- Use confidentiality and noncompete agreements liberally in those jurisdictions where they are enforceable. Do not be greedy, but even modest agreements limited to competition with your customers in your real geographic market, for a period of one to three years, will typically be enforceable and useful. This is a delicate area, so care should be taken to use a realistic document in appropriate circumstances.
- Keep in touch with your customers and suppliers. Many a business has been lost by letting a trusted employee or partner gain the trust of customers by having sole access to them. If you hire or take on a sales or customer person, make sure you periodically show those customers that you are still strongly and intimately involved with the business.
- Monitor your customer satisfaction. Use questionnaires, customer service representatives, and your own periodic personal calls and visits, to gauge how well your business and your employees are satisfying the needs of your customers.
- Visit the competition and see if there are new trends or techniques, pricing, products or services which may erode your customer base.
- Visit your own business. Send in a relative or friend unknown to your staff who can give you feedback on how friendly or helpful (or not) your staff is to strangers/potential clients.
- Periodically visit with your suppliers of goods and services. See if there are any new services, customer plans or products which might save you money or better fit your needs. Shop around and be sure you are getting the best price and quality.
- Keep up maintenance of your facility. Nothing gives the impression of a business in trouble as fast as a poorly maintained shop. Get rid of the clutter. Get organized and show the customers and suppliers a streamlined first impression. They will often presume your goods or services are provided in the same fashion as you keep up your place of business.
- Do not become so dependent upon one or two customers that they can control your business or that their loss will cause financial ruin.
- Do not make an investment of time or money unless you can calculate the time and method of payback, including profit.