

# DOWNTOWN BUSINESS TIPS

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*The Business Tips Newsletter is brought to you in partnership by the Dahlonega Downtown Development Authority & the Dahlonega-Lumpkin County Chamber of Commerce & Visitors Center.*

## What Free Information Are You Gathering? By [Rick Segel](#)

Every time a customer walks through the front door an impression is made. Just like a security scan at the airport that is trying to capture information from the person being scanned, our eyes make instant judgments of those people who cross the threshold of our stores. When people are well dressed, wearing perfect make-up with every hair in place, we tend to place a higher value with this type of person. Many of us will make the assumption that a well-dressed and well cared for person might have more financial strength than someone who might come in wearing dirty jeans, a t-shirt with holes in it, grease stains, unkempt hair and might even have a less than pleasant body odor.

Another way of looking at this scenario is that we tend to discount the value of the "messy person" while we hold the well-dressed person in higher esteem. Along with the way someone is dressed, we tend to judge people by the car they drive. Someone who is driving a late model Cadillac, Mercedes, or Lexus is certainly believed to have more money than someone who is driving a 10 year old Buick. Unfortunately this is not the case anymore.

We are living in the age of "stealth wealth." Do we have to look any further than Steve Jobs as the perfect example of the type of behavior that downplays the importance of materialistic adornments? The real problem is that rich people just don't look like rich people anymore, or perhaps they do. When people are comfortable within their skin and know what is important to them, they don't need the impressions that appearances can give. That is a wonderful altruistic way to live and if there were more people who lived their lives like that, retailers would be

going out of business in record numbers. The truth is that people love to collect the trappings of a successful life. Think about the 30-something who leases the premium auto because it makes him feel good as he drives down the street hoping everyone will be watching. The woman who is constantly trading up her diamond to make it bigger and bigger for the personal high it gives her. The couple who stretches to get that bigger home, not that they need it, but because they want it.

To quote Michael Douglas' famous line from the movie Wall Street, "Greed is good." It moves economies, it creates jobs, it fosters great design and it makes a boring and unexciting world come alive, just like the lights on the Strip in Las Vegas. Let's not judge people by what is important to them; let's learn to appreciate that every person has the potential to become our best customers. Just as the person wearing the dirty jeans deserves the respect that your business has to offer, the same respect that Richard Gere had to insist upon when Julia Roberts went into a high-end store and was ignored. When Mr. Gere returned to the store he made it perfectly clear that they were disrespecting a customer who was bringing them a large source of business.

The real issue is; how do we control our natural tendencies of treating some people better than we treat others? Just because someone is dressed well or drives a late model car doesn't mean that every sales associate is going to put them on a pedestal. In many cases they want to knock them off the pedestal as if to say, "What makes you better than me?" or "Who do you think you are?"

I recently worked at a high end jewelry store where the majority of the salespeople could not afford the products they were selling, yet they did a masterful job of feeling so fortunate to be able to work and play in an environment with the nicest things in life. It's not just about celebrating one's wealth; it's about celebrating the excellence of the products we sell and the creation of those products. It's the celebration of the designers who design those products. It's the celebration of celebrating.

The customers who walk across our threshold are not as plentiful as they once were due to increased competition and, of course, the internet. None of us have the right to pick and choose like we once did. This is a simple lesson with far reaching affects.

The bottom line is; who gives us the right to decide who our customer will be? We win some, we lose some, but we dress for them all.

### Visit "Business Data Community"

American businesses need to be equipped with the best tools and information available to support innovation and job growth. This site is your front door to the data, apps, and tools the government has to offer your business. Take a look:

<http://www.data.gov/business>

**Share this newsletter with your staff!**

## Business Reception & Awards Program, March 8, 5:30 - 7 PM, The Smith House

Awards will be presented for commercial building restorations, downtown construction projects, cornerstone businesses, and much more! Tickets for the reception and awards program are only \$5. Tickets are for sale at Adams Insurance located at 30 N Park Street.

### Got Backup? Finding the best Backup Option for Your Small Business Data By [CARON BEESLEY](#)

[Published by SBA.gov Community](#)

How are you backing up your small business data? If you are like most small businesses, you could be compromising your business and its data on a daily basis. A 2011 survey by Carbonite, a provider of online backup solutions, found some facts about data loss that may surprise you:

- Forty-eight percent of American small businesses with between two and twenty employees have experienced data loss, up from 42 percent in 2010.
- Top causes of data loss include hardware/software failure (54 percent), accidental deletion (54 percent), viruses (33 percent) and theft (10 percent).
- Thirty-one percent of business owners surveyed think backing up company data is a hassle.

Scary, huh?

If you've ever lost a laptop, or been left stranded by malware or some other problem, then you already know the detrimental effect it can have on your business. For many, it can mean disaster.

So what are your options for backing up business data so you can access and restore files on the fly in the event of a data loss incident?

#### Finding the Best Backup Approach

The backup market is huge, so before you start looking into your options, develop a backup approach that meets your needs. Ask yourself the following questions:

- **Do you need to back up your entire operating system or just essential data** (employee records, financial records, documents and databases)? The answer will help determine how much data you need to back up. For example, an operating system can take up a lot of space, but if you have a copy of it, on an installation disk, for example, you may not need to back it up.
- **What are your vulnerabilities or primary concerns?** According to the Carbonite survey, most businesses still use external hard drives and USB sticks to store data. Backing up data to one location only can be risky, so assess whether your business needs an extra layer of protection. Consider backing up your most critical data to both an online backup service and a local device which could also house your less critical assets.
- **How often do you need to perform a backup?** What window of vulnerability can you tolerate? For businesses, a daily or weekly backup is a good idea – especially if you are fairly active in creating or updating files and documents.

#### Backup Options – Mix it Up!

There are endless options for backing up data, but it's a good idea to build in some redundancy and shoot for at least two methods that will divide and conquer your data backup needs. Here are some options:

- **External Hard Drives or Disks**

Disks have long been used as a go-to backup device, but they are also notorious for failing to capture all your data. Plus, it's a manual process. A better option would be to back up to an external storage device. For \$60 or thereabouts, you can buy a desktop device that stores almost 1 Terabyte of storage. These devices also offer the convenience of scheduling automatic backups for those of us who'd otherwise forget.

- **Backing Up to the Web**

Cloud storage and other online solutions offer the reassurance of a remote backup strategy that complements your local backup strategy. This is a burgeoning market and backup options and pricing vary. Depending on your storage and user needs, you can expect to pay anything from \$120 to \$700 per year. You can keep your pricing low by using web-based storage services to back up what you don't feel comfortable storing locally. In addition to basic backup services, many offer various bells and whistles, including the option to access data from mobile devices, backup multiple PCs from one account, and share large files with teams. If you're worried about not being able to access your data because of a dropped internet connection, DropBox lets you access your files offline. Another increasingly popular option is to build your own personal cloud with the help of a wireless network and sturdy storage devices currently available in the market.

- **Server Backup**

If you use a server in your business to run email, databases or business applications, backing it up is a must. You can do this using backup software that saves data to disks or tape. Another option often favored by small businesses that don't have ready access to IT support services is a cloud-based solution. Data is simply uploaded via the web and the cloud provider takes care of IT maintenance. The downside is that data transfer can be slow even with a broadband connection.

#### Be Proactive About Your Backup Strategy

At the end of the day, business data is one of your most valuable assets. So whichever backup option you use, be sure to continuously review what data needs to be protected. Set up automatic backups and monitor them to ensure they aren't failing. Lastly, keep an eye on your backup space consumption and have a plan in place to upgrade when the time comes.

# 6 Ways to Establish & Maintain a Healthy credit Score for Your Startup or Small Biz

By [CARON BEESLEY](#)

[Published by SBA.gov Community](#)

Establishing good credit is essential if you intend to apply for a business loan. But it's not just for loans anymore – a good credit score can also help you:

- Secure a business credit card
- Open a merchant account
- Benefit from lower insurance premiums
- Build relationships and get flexible payment terms from suppliers
- Rent commercial property
- Lease or buy business vehicles

But how do you establish and maintain a healthy business credit score? What if your personal credit score isn't as good as it should be? Can that impact your ability to build business credit? This article includes tips for building your small business credit score. First, however, you need to understand how business credit is measured.

## How Business Credit is Measured

Business credit is calculated using what's known as your [Paydex Score](#) – the business equivalent of an individual's FICO score. Creditors and banks will check your Paydex score to see if you are a risky investment before they'll extend loans and credit. But what is Paydex? Maintained by Dun & Bradstreet (D&B), a Paydex score is “...D&B's unique dollar-weighted numerical indicator of how (a) business paid its bills over the past year, based on trade experiences reported to D&B by various vendors.” Unlike your personal credit score, which is determined by several different factors, Paydex scores your business solely on whether or not you paid your bills promptly and within agreed-upon terms. Paydex is used by business credit bureaus to rate your business credit, although these organizations (D&B, Experian, and Equifax) also take into consideration other factors when weighing your overall score.

## How to Build and Manage Your Business Credit Score

There are several practical steps you can take to establish and build both your Paydex score and general business credit score:

### 1) Register for a Tax Identification Number

If you are a sole proprietor, consider incorporating your business. This will legally separate your personal finances from those of your business so that you can build a separate credit history. Next, [apply for a tax identification number](#) from the IRS. You'll use this to file your taxes as an incorporated business and to reg-

ister your business with credit bureaus such as D&B.

### 2) Get a DUNS Number

If you are starting a business, get a jumpstart on building your credit history by applying online for a DUNS number at D&B's small business [iUpdate portal](#). This nine digit code is used by D&B and other credit bureaus to identify your business and maintain a credit file against it. If you already have a business credit file with D&B be sure to review it and correct any inaccurate information.

### 3) Apply for Credit From Suppliers

[According to business credit specialist Marco Carbajo](#), the best place to start building credit as a startup is with suppliers. You can do this by applying for lines of credit to finance purchases such as office supplies, computers, inventory and so on, with flexible payment terms of net 30 or 60 days. Carbajo advises that you choose suppliers who you'll likely deal with on a regular basis so that you can continue to build and maintain your credit (as long as you pay them on time!).

### 4) Separate Personal and Business Finances

Further separate your business and personal finances and start building a business credit score by opening a business bank account and putting expenses in your business name. You should also apply for a business credit card. Start by approaching your existing bank or credit card issuer – since you already have a relationship with them, approvals should be easier. This [blog](#) has some tips and considerations to be aware of before choosing a card.

### 5) Pay Your Bills on Time!

Since your Paydex score is based on your bill payment habits, never miss a payment date. If your cash flow can tolerate it, you could also consider paying your bills ahead of time to increase your Paydex score!

### 6) Monitor Your Score

According to D&B, the credit score of about one in three businesses declines over just a three-month period. So, plan on monitoring your credit once a quarter so that you are aware of what's happening and how it might affect relationships with suppliers and lenders. It's also a good habit to review your credit file to make sure it's current and accurate. Any changes to your business, such as location, number of employees, outstanding suits/liens and revenue – can impact your credit rating.

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The “Downtown Business Tips” newsletter is intended to provide merchants with monthly information about improving their business's position in the market!

Use our website [www.dahlongadda.org](http://www.dahlongadda.org) for business resources.