



Data must be used, not just collected

As a SCORE mentor and owner of Focu\$ CPA, Mary Guldán-Lindström understands the value of [financial](#) information for small business owners. However, in stressing the importance of keeping good records, she noticed that the information wasn't always analyzed and used. Too many owners collect the information and file it without digging deeper.

"It's the first secret of [business](#) success," Lindström noted. "Most people don't know where they're at. They're afraid to look at what the business is making and think if they don't face it, it will go away."

She encourages business owners to look carefully at the numbers and face reality. Look at the financials critically and ask if the business is generating enough profit to [invest](#) in the business and provide cash flow to keep it open. Ask if you are being paid fairly for the job, if investors are getting a good return, and if future value is being created when the business is sold.

"You need to know where the numbers are coming from and what the weaknesses are. I have clients say that they're really busy, but the numbers don't agree with their story. The first step is looking at where their time, energy and knowledge are being spent," Lindström advised.

By mentally looking at a day, owners can identify the activities that aren't productive. The goal is to pinpoint areas that are draining time and energy. Lindström calls these the "vampires" that suck out the life of the business. It's easy to keep doing the same thing day after day, but that won't allow the business to move forward. By taking a realistic look, owners can better understand the challenges and have the courage, discipline, and desire to change.

Lindström recommends taking time to brainstorm. "I don't want to tell them what to do, because entrepreneurs like to think for themselves. Instead, I have clues from the financials that trigger questions and get them thinking," she said.

This is the point where owners need to go back and find the passion and motivation they had when starting the business. They need to capitalize on their strengths, review and update their [business model](#), and find ways of improving their business. Lindström suggests looking at past successes. If that's difficult to do objectively, it helps to have a mentor. "That could be a SCORE counselor, advisory committee, banker, or someone else you [trust](#) to bring a different perspective," she stated. "Watch other successful people and find someone you admire."

After setting direction, it is important to measure progress. Lindström says that means 15 minutes a week reviewing the business plan, at a minimum. That will allow an owner to see if they're heading in the right direction, and if they are, to take time to focus on the positive.

"It's like a football player doing a happy dance after a touchdown. When things are going good, celebrate the small victories and have fun!" she said.

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