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*You never lose in business.
Either you win, or you learn.*

~Melinda Emerson

A CONVERSATION WITH YOUR ACCOUNTANT: TAX TIPS FOR 2020

LEARN TODAY!



With the difficulties of maintaining your business during this challenging year, it should come as no surprise that 2020 tax filing won't be business as usual. We went straight to the experts to understand how you might navigate tax compliance. **Check out the tips here for yourself;** then, have a sit-down with your accountant or tax preparer to discuss the best filing strategy for your business.

- If you think you have underpaid estimated taxes this year (due to having forecasted reduced revenue as compared to 2019), ask about options that might qualify you for an IRS waiver to avoid a tax penalty.
- Included in the CARES Act was the ability to accelerate how you can claim unused Alternative Minimum Tax (AMT) credits. You might be able to put this money back into your business to improve your cash flow. You must file IRS Form 1139 or Form 1045 by December 31, 2020.
- The CARES Act allowed you to defer your share of payroll taxes until December 31, 2021 (at which time, half is due, with the other half due by the end of 2022.) Your accountant might suggest you pay back the deferred amount now to claim the deduction for 2020.
- Don't forget tax deductions allowed for your home office. Deductions to be considered include a percentage of the rent, mortgage interest, property taxes, and utilities—the amount to be derived from the square footage of your dedicated space. Add in the costs of computer equipment and accessories, office supplies, office furniture, business books, and association membership dues paid for in the calendar year. If you need any items exclusively for your home office, purchase them before December 31 to count as deductibles.
- Be sure to discuss how any business loans or lines of credit used during 2020 affect your taxes. You may be able to deduct interest payments. Ask your accountant whether you should push off any income until next year. Dating invoices after December 31 can help reduce your tax liability for 2020; however, it likely will land you in a higher tax bracket next year. Conversely, if you want all 2020 income to be taxable now, send out invoices directly to declare the income in 2020.

WHAT VALUES ARE YOU SERVING UP TO POTENTIAL LEADS?

GENERATE QUALITY LEADS!



While still in the pandemic, it is tempting to slash prices to attract new business, but this strategy can backfire in the long run. Don't undervalue your product or service. Pricing is especially challenging for business consultants, sales and marketing consultants, technology advisors, legal and financial advisors, and healthcare and wellness coaches, to name a few. *You have positioned yourself as the go-to expert, therefore don't harm your brand by undercutting a competitor.* Instead, add value to your service to back up your fees. Here's how:

- During your first FREE consulting call: Deflect a potential client's opening question about fees with *"it depends on your problem or challenge. Let's talk about your problem first."*
- Your potential client has probably talked to others before contacting you, so surprise them with these questions:
 - *"What do you consider as a success after engaging me on this project?"* Listen for specific goals.
 - *"How will you measure my progress?"* Do you want weekly reports or weekly meetings?
 - *"Have you worked unsuccessfully with consultants in the past? What were the issues? Be ready to explain how you work differently.*
 - *"Are you willing to break this project down into tasks so we both can assess how our relationship is working and look at tangible results?"*
 - *"Can I tell you about a failed project I just had?"* Believe it or not, your prospect will deem you both as an expert and an authentic partner. Be ready with your story and make sure it relates to a misstep of the client that you want to avoid going forward in your projects.
- Don't be afraid to leave a project (revenue) on the table. For instance, you may not have all the resources you need to execute the job. Is there someone in your network you can refer them to (for a referral fee, of course)? Offer contact information of former, satisfied customers (with the latter's permission beforehand).
- And keep in mind: **People are only interested in how you can help them in their predicament and within their industry.** If you can pivot successes from other sectors, do so, but make it highly relevant. *"My former client had recruitment issues, new product entry issues, (etc.). Your case is similar, and I can help you."* **Show off your expertise and exude confidence in being the right person to help.**

HOW TO BECOME AN AGILE SMALL BUSINESS OWNER

BE A LIFE-LONG LEARNER!



As a small business owner, you have one proven advantage over larger corporations—adapting to changing marketplace conditions. During these challenging times for entrepreneurs, you can adopt the skills to move forward to sustain and grow your business regarding product innovation, superior customer service, and talent retention. Here are the key skills to transform yourself into an agile leader:

- Take advantage of new opportunities by staying abreast of trends in your industry. Once you have identified an opportunity, move quickly on market research. You can learn to pivot to meet challenges such as entering new markets, jerry-rig processes, and test pricing strategy.
- Dare to disrupt your industry with a uniquely new or enhanced product. Think Uber, who transformed the car service/taxi industry, or Airbnb, who disrupted the hospitality industry.
- Increase your connection with customers through timely communications (blogging and zooming) on topics you are expertly knowledgeable about. How can you meet their needs?
- Pay close attention to customer feedback. Respond promptly to complaints, look for trends in feedback that might point to product or service enhancements, and always seek testimonials to share through your website, blog, and new business proposals.
- Network, virtually for now. Find successful small business owners outside of your industry and pick their brains on business processes, talent acquisition strategies, new vendor resources, and more.
- Invest in your current employees. Develop intrinsic and usual extrinsic rewards of increased compensation, flexible schedules (even while working remotely), and professional development. Intrinsic rewards like consistent receipt of praise and appreciation of work well done, the opportunity to learn a new skill, and awareness of your short- and long-term business goals improve your employees' likelihood of becoming ambassadors of your brand and stakeholders in your success.