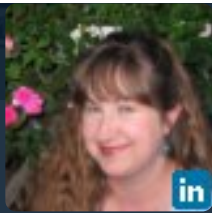




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6 Tips For Running Your Business On A Budget



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Starting a business on a budget means always looking for ways to cut back and save. Here are 6 suggestions for frugal financing from OPEN Forum community members.

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NOVEMBER 07, 2013 When they're first starting out, small-business owners usually have plenty of ideas. What they often don't have enough of is operating funds.

So what can you do if your ideas are bigger than your bank balance? How can you get your company up and running with limited funds?

Dharmesh Patel, an OPEN Forum member, recently asked, [“What is the most important piece of advice you can give for a new business that is very tight on the cash flow before starting out?”](#)

Here are 6 smart ways to stretch your money and get the most bang for your buck:

Pinch Pennies

Though you most likely want to spend whatever is necessary to comfortably grow your new business, resist the urge to do so, advises OPEN Forum Community member Sean Dawes, co-

founder of [Rocket Dove Inc.](#), a company that provides help with online marketing efforts.

“Look for ways to accomplish what you need to without paying for it,” Dawes says, “whether it is doing the work yourself, hiring interns, partnering with another company or exchanging services. And if you need to spend money, spend it as if it's your last dollar. Look for good payment terms, price shop and background check any employees and consultants you're looking to hire.”

Save Your Dollars

“Creating a separate business savings account is essential,” says Patrick Donovan Campbell, president and senior paralegal of [Outsourced Paralegal Services LLC](#).

“Putting every penny, nickel and dime into this savings account for your business-related purchases is essential in the growth of your company,” Campbell says. “It’s unnecessary to purchase every software program or app immediately. Many businesses have functioned and thrived without 100 different promotional and operational platforms at their fingertips. Save for the essential tools, and prioritize their necessity for your business in logical order.”

Partner For Charity

Leverage your talents and partner with other small businesses for charitable causes, suggests OPEN Forum community member Joshua Gauthier, quarry manager of [CalPortland](#), a building materials and construction solutions provider. “Do some charity work where you provide the labor and [your small-business partners] provide the goods (food, supplies, etc.). The charity gets you free marketing and a showcase for your talents.”

Such efforts at networking will expose you to established entrepreneurs who may offer guidance

or even assistance, because they understand the difficulties of starting out on your own, Campbell adds: “Those you meet when networking may also view you as a service provider to keep in their back pocket.”

Seek Free Resources

Depending on your industry, you may be able to find free resources, Campbell says. “Though some items might be limited in their use, with optimized versions costing money, the basic general function of those items can still assist you through your tasks until you're able to purchase the full program or document that provides unlimited use,” he says.

Campbell shares that when he started his paralegal service company, he had a full-time job but was laid off, making his only source of income unemployment.

“I could not afford the various petition preparing software programs and other day-to-day programs that are now a staple, so I began by preparing bankruptcy petitions using the free petitions provided by the bankruptcy courts and doing them by hand,” Campbell explains. “It was time consuming but necessary to get the job done. Eventually I saved enough money to purchase the appropriate program.”

Definitely check for free and discounted offers, agrees Gabriella Draney, co-founder and CEO of [Tech Wildcatters](#), a mentor-driven seed accelerator.

“The best way Tech Wildcatters’ graduates conserve cash is by taking advantage of free and discounted offers,” Draney says. “F6s.com offers the most free stuff. For instance, they currently list 465 deals worth \$363,534. The items include everything from a year of free hosting on Softlayer, Amazon, Microsoft and others, to company legal formation for less than \$1,000. These

things really add up.”

Ask About Discounts And Deferrals

Draney also suggests asking for discounts and deferrals to save cash whenever possible. “Some service providers may even take equity in lieu of payment,” she says. “Never be afraid to ask. After all, what’s the worst thing someone can say to you? No?”

Stay Focused And Remain Positive

“Remind yourself that there have been others before you who started off with nothing and watched their companies grow to great heights,” Campbell says. “Opening a business is difficult, and you will question whether you did the right thing, but doubt and fear are all part of the process of embarking on any entrepreneurial venture and finding your company’s authentic voice and vision.”

A freelancer since 1985, Julie Bawden-Davis has written for many publications, including Entrepreneur, Better Homes & Gardens and Family Circle.

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