

Unique Challenges that Business Owners Face

By Xenia Woltmann

Being your own boss can be an exciting dream that nearly 10% of the population is striving to achieve. However, the rigors of running your own business create unique challenges that, if not addressed, can derail even the savviest business owner. In meeting with clients, I have noticed the common characteristic of being so focused on building a business that personal goals are not addressed.

Sufficient cash flow is necessary for any business. Many new business owners borrow, use savings, or pull from their retirement assets to fund their venture. Others may work a separate job to maintain income while they get their business off the ground. There are resources available to help small businesses succeed. One common thread among these resources is: it's essential to start with a plan. Begin with a list of business necessities and approximate cost. This should be a fluid document that you regularly review and update. Next, consider a strategy [for what?]. I recommend starting with an estimate of total monthly, weekly, and daily income needed. How will that be achieved?

Many business owners do not have a business succession plan. This is a terrifying thought, especially when others are dependent on him or her. It is important to plan for the unexpected. If the owner is no longer able to run the business, what will happen? Will someone take over? Will it be sold? Employees may be able to find new work but what about family? As disconcerting as this thought is, it is easy to create peace of mind by creating a plan that can be revised as the business grows.

New business owners are inclined to postpone retirement planning. They tend to think that they will be able to fund their retirement plan later once the business is more profitable, believing that they need large sums to fund the retirement plan. Creating a personal financial plan and funding retirement, even with minimal contributions, may allow for significant long-term benefits, such as increased retirement income, tax savings and other benefits. Procrastination causes delays in realizing retirement goals.

I learned the secret to work-life balance a few years ago. It is not actually achieving balance as it is an ever-changing tipping of the scales. While everything I do is to create a better life for my family and plan for our future, I must work for it. There will be days, even weeks, where work takes most of my time and energy. Other times, family will come first, and I rely on co-workers and caffeinated late nights to meet the demands of work. Make sure to take breaks, reenergize and prevent burnout.

It is important to remember that we are all working to fully tip the scales to meet future goals. Schedule time to address what is important every day, whether it is dinner with the family, exercise, or relaxation. Consult with professionals and take advantage of resources available to help you succeed.



Xenia Woltmann is a Vice President of Rochester Wealth Strategies LLC, an Independent Registered Investment Adviser located in Downtown Rochester. RWS is a Fiduciary and Fee-Only financial advisory firm.