

Title:

Make 2006 Your Most Profitable Year Ever: 5 Crucial Steps for Every Entrepreneur

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Summary:

Many of us maintain the tradition of making New Year's resolutions for our personal lives. The New Year has just as special significance for our businesses too. Whether you're an experienced business owner or are just starting out (or thinking about starting a business), there are 5 crucial steps you need to take at the beginning of the year to assure the 2006 is your most prosperous year ever.

Keywords:

home business, small business, entrepreneur, incorporate, corporation, legal entity, LLC, limited liability, limited partnership, sole proprietor

Article Body:

Many of us maintain the tradition of making New Year's resolutions for our personal lives. The New Year has just as special significance for our businesses too.

Whether you're an experienced business owner or are just starting out (or thinking about starting a business), there are 5 crucial steps you need to take at the beginning of the year to assure the 2006 is your most prosperous year ever.

1. If you have not done so yet, take advantage of the greatest tax shelter available today: the opportunity to start a small business and organize your business activities to generate multiple streams of income for you.

If you have been thinking about starting your own business but are still sitting on the fence, resolve to take action today! With the internet making getting into business for yourself easier and more cost-effective than ever, there's no excuse for not taking that crucial first step.

2. If you already own your own business make sure that you're generating income from more than once source.

This way, if changing economic conditions exercise a negative effect on one

stream of income, you are not left high and dry (so to speak!). If you're involved in network marketing, you'll have to make a point of ignoring those who would have you focus exclusively on a single company (often start up) that might not be around 5 years from now). You can and should diversify (within reason, of course!).

3. Make sure that you are using the most advantageous structure for operating your business.

This applies to you whether you have a traditional bricks-and-mortar business, operate a UPS Store franchise, or are operating an e-business doing affiliate marketing.

If you're operating your business as a sole proprietor, as most small business owners do, your business is not in the most advantageous position to reap the fruits of the generous tax deductions available to small businesses. More important, you are placing all your personal assets, including your home, your vehicle, your personal savings, and your family's future at risk.

Today, it's no longer as cumbersome as it used to be to establish an alternative business structure that will protect you from such risk. And with all the resources now readily available to the average person at minimal cost, you don't have to incur massive legal fees just to get started.

4. Resolve to learn the information you need to know to operate your business in the most profitable manner.

Continuing education about structuring and operating your business is an absolute necessity for the entrepreneur. Even if you have an accountant or attorney on your mastermind team, how do you know if she has the knowledge and sophistication to handle this for you properly? Unfortunately, too many, do not, and their lack of expertise can cost you thousands of dollars. If your accountant or attorney tells you, for example, that you "don't need" an LLC or corporation to do business, you'll know to run--do not walk--out of their office as quickly as possible and search elsewhere for competent advice.

In addition, even if you have competent counsel, it is your responsibility as a business owner to operate your company in accordance with government requirements governing corporations, partnerships and LLCs.

5. Adopt a Mindset that Focuses on Tax Reduction as a Way of Life

The largest single expense of most Americans is taxes. To optimize your bottom line, you must be up to date on which expenses are tax deductible for your business and keep proper records to document them. Using a credit card--even a personal card dedicated to your business--and an accounting program that is specifically for businesses--we recommend QuickBooks by Intuit--will help you immensely in keeping track of your expenses. It can be bought at a substantial discount on eBay.

Implementing these 5 steps might sound complicated at first, but they are well worth the trouble. Remember that in running your business, "Keep it simple" can be costly advice. What simplest--setting up shop as a sole proprietor, operating on a cash basis, using your personal bank account instead of a separate business account for your business, and failing to track and document expenses using appropriate business accounting software--can hazardous to your financial future.

Take advantage of the fresh start spirit of the New Year to implement these 5 tasks, and you'll be on your way to making this year your most profitable ever.

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