

**Title:**

How To Avoid Trouble When Your Business Goes Under

**Word Count:**

433

**Summary:**

Everybody who starts their own business has high hopes and plenty of reasons why they should succeed. Your idea may be the best of the decade, and you may have all the funding you think you'll need.

Then, out of the blue will come a problem you never expected. For one business, their advertising budget ran out right before their service caught on with customers.

For another business, sales came in so fast that they had to hire lots of new employees. The hope was that th...

**Keywords:**

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**Article Body:**

Everybody who starts their own business has high hopes and plenty of reasons why they should succeed. Your idea may be the best of the decade, and you may have all the funding you think you'll need.

Then, out of the blue will come a problem you never expected. For one business, their advertising budget ran out right before their service caught on with customers.

For another business, sales came in so fast that they had to hire lots of new employees. The hope was that the BIG expense of all those employees would be met in the near future by constantly rising business. Instead, business started to decline, leaving the owner broke and paying big fees to the state after she was forced to let her workers go.

Even the mighty Amazon-com almost had to close its doors during its first year, when money ran out before substantial sales started coming in. Amazon was nearly history before it began.

The good news, as the government's Small Business Administration attests, is

that almost all small business owners pick up the pieces and begin again. Often their next venture succeeds. And economists point to that fact as one of the reasons our American economy is so resilient.

No question about it: it can be VERY hard on the owner when a business fails. Creditors can take your home, your car, and put financial strain on your family that could leave your relationships in shambles.

Some will tell you to incorporate to protect yourself from bankruptcy, but legal experts say creditors can still come after you.

Whatever you do, DO NOT declare bankruptcy unless it is the absolute LAST choice available to you. Congress has enacted new laws that make bankruptcy an even poorer choice than in the past. Upset suppliers, creditors, and customers can make sure you never get another shot at owning a business.

Instead, work out terms with those to whom you owe money, and pay off your debts gradually over time. Even if you've got a very long way to go, paying even a little at a time can keep the wolves from your door.

It's also good idea to seek credit counseling. A specialist in small business turnaround can help you figure out ways to keep your assets and stop collectors from coming after you. The counselor can also work out affordable terms for satisfying your debts.

Frequently, business owners are surprised at just how easy it can be to get out from under business debt. After all, our communities' futures depend on business people getting up and trying again.