

The Tool Box

"Tools to Assist in Building Your Financial Success."
Serving Morrow County Since 1994

A Free Publication of:
Morrow Development
Corporation
P.O. Box 200
Boardman, OR 97818-0200

February 2006, Edition V

Contact us today!

Call MDC:
541-676-8719

Email:

mdc@windwave.org

Contact the Port of
Morrow:

541-481-PORT
www.portofmorrow.com

Food for Thought

Diligently watch cash flow.
Establish a cash budget and
monitor it on a weekly,
monthly, and yearly basis.

Get rid of inventory that
doesn't move.

Maintain good relationships
with suppliers.

Keep up with your
bookkeeping.

Learn to recognize when
you are getting
overextended, and hire the
right kind of help. You can't
always do everything
yourself.

Treat customers well.

Source: Business Owner's Toolkit



Greg Smith, Officer of the Board was recently selected to serve on a panel for IRP lenders in Oregon.

Dear Small Business Owner:

Welcome once again to Morrow Development Corporation's **The Tool Box**. In this issue, please enjoy tid bits about hiring your first employee, contractors, as well as hiring your own children. We hope you enjoy each section!

Morrow Development Corporation currently has over \$1.7 Million loaned to Morrow County businesses. While MDC is always looking to assist local entrepreneurs, we have met our lending capacity. However, MDC is anticipating another injection of funds to add to its Intermediary Relending Program. We'll keep you informed!

What are Websites REALLY for?

Unless you are selling things that can be used online (information) or inside the computer (software), your website is nothing more than an Assistant. Think about it. All the major players have offline commercial avenues and *refer* visitors to their websites for more. Not the other way around! For example... I show at galleries, and refer collectors to the website for advance notice of new artwork. Then they sign up for my mailing list to get notice of secret drawings and other insider info. Online, I have constant contact with my collectors. I just don't have that kind of contact at a gallery. In fact, you could say that my website even helps me differentiate loyal customers from the "just looking." (Hint: Only the fans hit the site.)

Nicole Gerl



Funny Pages

What Job Ads REALLY Mean

"Competitive Salary" We remain competitive by paying you less than our competition.

"Join our fast-paced company" We have no time to train you.

"Some overtime required" Some every night and some every weekend.

"Duties will vary" Anyone in the office can boss you around.

"Seeking candidates with a wide variety of experience" You'll need it to replace the three people who just quit.

"Career-minded" Female applicants must be childless (and remain that way).

"Problem-solving skills a must" You're walking into perpetual chaos.

"Requires team leadership skills" You'll have the responsibilities of a manager, without the pay or respect.

"Good communication skills" Management communicates, you listen, figure out what they want and do it.

Source: abc's of Small Business

Independent Contractors

Independent contractors are not employees under the FLSA. Thus they are not entitled to the protection afforded by minimum wage and overtime laws. For purposes of the FLSA, six factors are used to determine if a worker is an independent contractor:

- the extent of the worker's right to control the manner in which the work is performed
- the worker's opportunity for profit or loss depending up on managerial skill
- the worker's investment in required equipment or materials
- whether the services rendered require special skills
- the degree of permanence of the working relationship
- whether the service rendered by the worker is an integral part of the alleged employer's business

A worker who signs an independent contractor agreement will be treated as an employee for purposes of the FLSA if the six-part test isn't satisfied.

Source: Business Owner's Toolkit

Hiring Your First Employee

If you're hiring for the first time, job analysis will involve more than determining what set of tasks you want someone else to do. It also means figuring out how your life is going change by having someone else working with you. Questions to ask yourself include:

What work will I let someone else do? What are the tasks that you want, or are willing to give up? Many owners have a hard time bringing in someone, especially as stranger, to help them work. You don't want to delegate a task to an employee and then wind up micromanaging the work.

What decisions will I let an employee make? Being in business means making decisions all of the time. Consider whether you want to give an employee the discretion to handle customer complaints, negotiate prices, receive inventory shipments, etc.

What type of personal relationship do I want to have with my employees? The answer to this question may not impact your job analysis, but it's critical to the employee selection process. Small business owners frequently spend a lot of time with employees. Since a good relationship is important, select someone you can get along with is essential.

Source: Business Owner's Toolkit

Creating Memorable Business Signs

Most business signs are well-proportioned, carefully balanced, tastefully drawn and perfectly color-coordinated. In other words, utterly predictable and effectively invisible.

The five most common mistakes made in business-sign design are:

1. attempting to be understated or elegant;
2. attempting to "fit," or blend into, the surrounding environment;
3. under spending;
4. including too much information; and
5. placing the sign too high. (The eyes of drivers tend to stay focused at windshield height. Low signs are better in town. Tall signs are better on freeways where they'll be read.)

Entrepreneur.com

Hiring Your Children

If you hire your children to work in your business, either full-time or part-time, you could be eligible for special tax breaks. The tax break is an exemption from FICA, or Social Security and Medicare taxes. A business ordinarily pays 7.65 percent of each employee's salary in Social Security and Medicare taxes and withholds another 7.65 percent from pay for the employee's share of those taxes. By not paying or withholding FICA from your child's paycheck, you save 15.3 percent.

Child labor restrictions may not apply. There are both federal and state laws that pertain to employing children. Generally, employing a child under the age of 16 is a violation of federal law although there are certain exceptions carved out for employing children aged 14 and 15. However, the general rule that no child under the age of 16 years may be employed in any nonagricultural occupation *does not apply to the employment of a child by a parent* as long as the job isn't in manufacturing, mining, or any other hazardous occupation as defined by the Department of Labor.

Source: Business Owner's Toolkit

Recently, I was asked if I was going to fire an employee who made a mistake that cost the company \$600,000. No, I replied, I just spent \$600,000 training him. Why would I want somebody to hire his experience?

Thomas J. Watson

Morrow Development Corporation is an Equal Opportunity Lender, Provider and Employer. Complaints of discrimination should be sent to: USDA Director, Office of Civil Rights, Washington, DC 20250