



HEMP Mentor Maxims: The Four Bases of Small Business

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by Matt Wood

One of the reasons why the Kansas City Royals did so well this year was their focus on fundamentals. They spent their time and energy on the right things, and that work paid off in the post-season.

There's a lesson here for entrepreneurs, too. If you get the cornerstone skills right, you will increase your company's odds of success. Here are four essentials that you should apply to your small business.

1. **Build Your Team:** It is all about the people. Get the right people on the bus and in the right seat. Surround yourself with people who fill your gaps, have strengths where you are weak and will see, and call out, your blind spots.
2. **Quality:** Know how to measure the quality of your product or service, from the perspective of the customer. Systematically get the customer's feedback.
Quality is not only outward facing. You also need to develop a culture of quality on your team. If a staff member serves another person within the organization—for example, a cost accountant—that person can still live the culture of quality in their work product and get feedback from their customer – in this case, the accounting manager.

In the [Helzberg Entrepreneurial Mentoring Program](#), Barnett

Helzberg taught us to always ask these three questions of our customers, whether they're internal or external;



- A. What am I doing wrong that you would like me to stop doing?
- B. What am I doing right that you want me to do more of?
- C. What am I not doing that you would like me to do?

3. **Financial Literacy:** Knowledge is power, so know your costs. Know your margins, your pricing and your competitors' pricing. Understand your balance sheet and income statement. Have good accounting systems and controls, and timely financial reports. As my Dad always told me, "Numbers don't lie."
4. **Cash Flow:** Understand the cash cycle in your small business—that's the bottom line for your company, the place "where the runs count." If you run out of cash, you are done.
Develop a relationship with your bank. If you don't need them today (or they won't lend to you today), there is always tomorrow. If they understand your business fundamentals and your vision, they will be one of your best advisers for free. If they don't want to lend to you, there is probably a good reason, and you need to take a hard look at your business.

If your small business is generating lots of cash, you don't need bankers. But in a cash-crunch situation, which many businesses find themselves in, a good bank can mean the difference between overcoming the challenge and bankruptcy.

Written by Matt Wood

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