



## **Lessons I Learned As a Business Owner**

By Dr. Linda Hancock

### **ABOUT THE AUTHOR**

Dr. Hancock has written a regular weekly column entitled “All Psyched Up” for newspapers in two Canadian provinces for more than a dozen years. Over the years, her readers and clients have said that they have benefited from her common-sense solutions, wisdom, and sense of humour. Dr. Linda Hancock, the author of “Life is An Adventure...every step of the way” and “Open for Business Success” is a Registered Psychologist who has a private practice in Medicine Hat. She can be reached at 403-529-6877 or through email [office@drlindahancock.com](mailto:office@drlindahancock.com)

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Many people believe that all it takes to be successful is to get a degree. Not true! If you are going to operate a private practice as a professional you need to learn some basic business principles. Following are some of the things to remember as a business owner:

1. The buck stops with you - Take responsibility for your business. If there are problems, learn to solve them. If you are doing well, celebrate. The bottom line is that you cannot blame others or give all the credit to others.
2. Focus on billable hours - It is easy to get involved in tasks that seem interesting or necessary but most of them don't generate income. The only time that you are actually earning money is when you are in front of your client or preparing reports for which you can charge.
3. Time away from the office is very expensive - Everyone needs breaks but when you go away it will cost you at least twice as much as employees who are on salary. First of all, you need to pay for flights, registration fees, hotels and meals. You also, however, need to consider the fact that you are not earning anything when you are out of the office and, at the same time, will continue to have expenses such as office rent, utilities and staff.
4. Create a business plan - The first time that I wrote a business plan my income increased significantly in the following year. This was because I began to set goals and focus on the things that were important for building a strong business. There are several free interactive software programs that will guide you through the process so the only thing that writing the plan will cost is your time and doing the work will pay off in the long run.
5. Accounts receivables are like personal loans - When companies or individuals owe you money, you need to remember that this is your money! Ensure that your clients understand terms for payment, most of which should be cash on the date that services are provided. At the end of each month, review your books and contact those who owe you money. Send an account statement or have a discussion with the client about when and how the account will be paid.
6. The biggest expenses involve staffing - Consider ways that you can get your administration tasks done without having to hire full-time employees who will earn salary and benefits. Streamline office systems and develop a clear part-time job descriptions that consist of important things that need to be done to generate income for the business.
7. Burnout means you are out of business - You are the business so if you are sick, over-tired or unable to work then there isn't a business. Take care of yourself and you will be taking care of your business.
8. Technology should be a tool and not a distraction - I never answer my business phone and frequently do not know where I have left my cellphone. When you allow others to interrupt your day with their calls or texts, then you are giving them power to negatively affect your income. Use your computer to get your work done but save your socializing for the end of the day after the work is done.
9. Know your limits - It is tempting to take all the clients who contact you but this is not ethical or practical. Learn to clearly determine needs during intake and refer clients elsewhere what they are asking for is outside your area of specialty.

10. Your reputation is your best marketing strategy - Most clients find out about you through word of mouth from others who were satisfied with your services. When you make honesty a priority and focus on helping your clients get their needs met, you will always have an active caseload with new intakes.