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Dare to be different: A rule to live by

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Small-business owners don't always want to be told how to operate their businesses. But thinking differently, especially in a new year, can pay dividends.

One expert who does offer a different brand of advice is George Cloutier, a Palm Beach resident who is founder and chief executive officer of American Management Services, an Orlando-based financial turnaround firm.

For the new year, Cloutier offers what he calls his "small business truisms." Here are some of his more provocative statements:

Most small businesses don't want to make a profit.

What Cloutier is saying is that often business owners don't even know how much profit they're making. They tend to focus on the top line, or sales, and not on the bottom line.

"They want to make a profit, but they're not worried about it every hour of the day ... they lose focus," Cloutier says.

Start by doing regular financials on a monthly basis, he says. Know your gross margin by product line and division. Know how much each sales person is contributing to profits.

"Financial statements are like airplane instruments ... Would you fly in a plane through clouds without instruments? That's what you do when you don't give yourself financial tools to run the business," he says.

To be successful, small business owners need to love their business as much as they love their families.

This is the commitment level needed to operate a successful business, Cloutier says. Include family members in the discussion before starting or buying a business.

"You have to sacrifice a lot of things to make your business successful," he says. "You're not going to go home at 4 p.m. to play baseball with your son."

Cloutier also discourages additional family members in a business. He says owners are better off paying their children not to come to work. "The best family business is that with only one member," he says.

That's because family business owners don't match their brother's or daughter's skills with company positions, and family issues begin to consume the business.

Golf is one of the most destructive forces in small business, not a networking opportunity.

If business owners spent as much time thinking about and "playing" with their business, not their buddies, small business in America would be far more profitable. Golf is a "convenient excuse to goof off," says Cloutier, who does not play golf. Golfing doesn't grow your network because people tend to play with the same foursomes.

"Understand that you're taking away from your business," he says. "It's way overdone."

The Internet and e-commerce are not solutions for small business.

"Don't think the Internet is going to save your business," he says. "You still have to do it the old-fashioned way. You want to have an Internet function, but don't depend on it for bringing business in your door every day."

Businesses can't finance their way out of problems. Throwing more money at the problem is not always the answer.

"The average business thinks it can borrow itself out of problems. You have to manage your way out of problems," Cloutier says. Your business may have too much inventory or have fallen behind on collecting receivables.

Cloutier, who recently gave his advice to South Florida's small businesses vying for Super Bowl XLI business, says the right attitude makes a difference. "You can read how to do a financial statement, but committing to it is a personal thing you have to do."

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