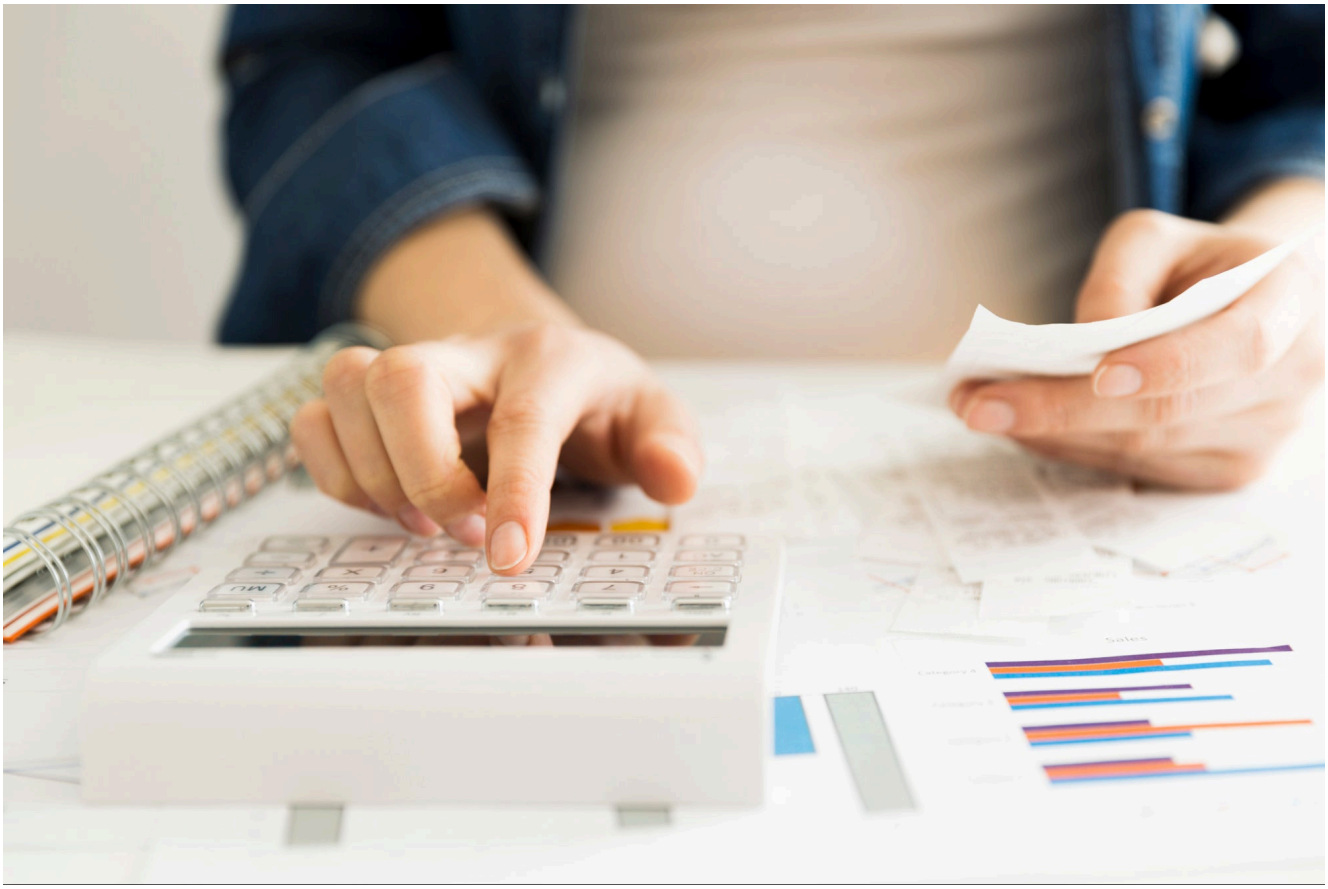
4 Money Management Tips for Entrepreneurs



June 23, 2020 6 min read

Opinions expressed by *Entrepreneur* contributors are their own.

Entrepreneurs are facing unprecedented levels of economic anxiety threatening to imperil their company's financial stability. Numerous businesses around the world have shut down due to social distancing measures, with many likely to close permanently. Entrepreneurs and prospective startup owners seeking to avoid this fate need to manage their money carefully, as failing to carefully steward finances right now is a one-way ticket to bankruptcy.

Don't sit around and wait for financial salvation to miraculously appear. Instead, be proactive and take these steps to protect your company's future.

1. Take advantage of tax breaks.

Few people hate taxes as much as entrepreneurs who are forced to pay steep fees over and over again. High tax rates diminish commercial growth by limiting the size of a company’s workforce, discouraging renovations and the physical expansion of businesses, and burdening companies with payments that are difficult to shoulder during trying economic times. Avoid paying more than you have to by taking advantage of as many tax breaks as possible, which is achievable if you identify the tax breaks worth pursuing.

Be aware that certain tax breaks can help you hire and retain qualified employees while also reducing your tax burden. Small businesses that hire individuals with disabilities receive tax benefits, for instance. Ensuring your workplace is accessible and welcoming to the disabled isn’t only ethical but also financially prudent. Install ramps and other accessibility infrastructure wherever possible.

The IRS offers tax benefits to employers of military veterans and other classes of workers. There are plenty of reasons to hire veterans, so consider the tax benefits of doing so.

2. Embrace tech without overspending.

Business owners constantly hear that they need to embrace digital technology if they are to stay in business for very long. But many digital gadgets and software services aren’t worth investing in. Stuck between the imperative to digitize operations and an inability to do so in a cost-effective manner, some entrepreneurs do nothing. Rather than dismissing technology altogether, learn how to embrace tech without overspending in such a way as to harm your future

profitability.

Related: 6 Money Management Tips for First-Time Entrepreneurs

While buying tech for tech's sake should be avoided, there is technology that can save you money long-term. If you lack the expertise to make complex decisions about which IT equipment to invest in, bring on a team member focused on your company's digital operations.

3. Invest in your future.

Individuals who want to solidify their financial status are frequently told to invest in the stock market. There's no way to ensure your long-term financial future without holding a diverse portfolio of assets, they're told. Entrepreneurs, however, are seldom if ever encouraged to invest in their future via the marketplace. Business owners are often too busy to follow the stock market's goings-on closely, but savvy entrepreneurs who invest in certain assets reap the rewards in the long run.

Platforms like LCMS Traders have made it easy to learn about and partake in the international marketplace. Reinvesting your profits into assets can generate long-term gains — so learn how with these resources.

Your duty as a business owner is to achieve commercial prosperity. The only surefire way to do this is by generating a diverse portfolio of assets that will help your business remain on its own two feet during times of economic turmoil. Advice from LCMS Traders: "In the New Economy, investments are your best friends. If you put your money in the right place at the right time, it will bloom and grow together with your business."

Related: 4 Apps and Platforms That Will Help You Get Your Business Expenses Under Control

Stocks and bonds aren’t the only things you should be investing in, either. Maintain the long-term profitability of your company by investing in your workers. This means workplace training, which many entrepreneurs are familiar with, but also entails looking out for the personal well-being of your workers so they grow along with your company. Over time, this investment will ensure you have a reliable supply of human capital, the most important asset of any business.

4. Monetize your digital presence.

Consider that your business’s digital presence could be monetized, given the right circumstances. If you have a popular website that people flock to, you could be generating ad revenue. Well-followed social media accounts can also be turned into marketing tools that increase both ecommerce sales and in-person foot traffic. Entrepreneurs who aren’t regularly reassessing their digital presence to ascertain how they can monetize it are making a money management mistake.

There are many different techniques for monetizing a website, as no business can directly copy the model of another. Ad revenue is alluring, but starting an email list to build long-term brand engagement with your customers is usually more profitable. Sometimes, membership sites that require an account to access can offer selective content to users for a price. If your company possesses unique expertise that the marketplace is seeking out, monetize it with a membership-only website to ensure you aren’t spilling your secrets for free.

Related: 4 Steps to Monetize Your Social Media Following

None of these monetization techniques will impede your digital marketing efforts. In many cases, monetization may improve your digital outreach efforts. Accessible websites that are free to access may get more traffic, but membership-only sites can generate revenue from a small pool of users and ultimately turn out to be more profitable.

Besides monetizing your digital presence, you should strive to maintain a clean image on the internet. Modern scandals spread across the web like wildfire, so ensure your company’s social media accounts are in good hands. Similarly, maintain an exemplary personal web presence, as the public face of any business misbehaving on any popular social media platform can reflect poorly on the entire company. Make sure every employee is well-behaved online, though never collect worker or user data without proper notification ahead of time.

https://www.entrepreneur.com/article/351631