



This letter was offered as part of a series of practical advice for start-up small businesses and, due to its popularity, also used in print form as part of an information/welcome packet for new members in a business incubator program.

10 WAYS FOR SMALL BUSINESSES TO SAVE MONEY

One of the biggest challenges small businesses face is getting the income from the business to surpass the expenses of running the business. The good news is you can maximize your profits through some simple, money-saving techniques as follows:

Maximize your advertising dollar

1. Save money on promotions by slipping upsell advertising materials into invoices, product packages and other mailings to reduce postage. Let existing customers know about related products that could solve some of their other problems because ‘warm’ customers are more likely to buy from you than people new to you and your company.
2. Split advertising costs with a related company. For half the expense of a flyer, you and a neighbor or the owner of a complementary product or service company can reach twice the customer base by combining mailing lists and sharing flyer space.

Get into the world

3. Encourage happy customers to tell their stories. Of course you do that already, but expand the reach by having their stories written out to be printed or posted on the internet or filmed as a commercial. Case studies or success stories are a great way to get word of mouth advertising on a wide scale and your customer will be all the more excited to share their story.
4. Teach. This doesn’t need to cost you anything and may even net you some additional cash in the form of stipends or speaking fees. Share your expertise with the world regarding your product or service and people will start seeing you as a leader in your industry, quickly building your social credibility.
5. Social media isn’t just for teenagers anymore. With the wide variety of social media channels available, find one or several that cater to the special interests of your ideal customers. Are they action oriented? Establish a YouTube channel. Do they like photos and how-tos? Join Pinterest. Are they more interested in typed discussions and news items? Jump on Facebook or LinkedIn’s group forums. Twitter is almost a must for your customer service department.

Reduce overhead expenses

6. Reduce travel expenses with conference calling. Rather than pay for hotels, rental cars, per diem expenses and other travel costs in addition to renting meeting space and buying catered lunches, consider VOIP conference calls. Easy to implement and highly affordable solutions are readily available. To find out how they work, [visit this page](#).
7. Get materials and supplies for free or at a discount. Instead of spending valuable time or resources re-inventing the wheel, get free customizable forms at [Formnet.com](#), free software at

[Download.com](#). Buy used equipment for your office space and refilled printer ink cartridges to further reduce costs.

8. Consider bartering for supplies, equipment or services needed. Through barter exchanges such as those found on the [National Association of Trade Exchanges](#), you can exchange products or services for the things you need without the need for cash.

9. Use independent contractors for your staffing needs. Freelance writers to help with the case studies mentioned above, software developers to help with programs you need but can't find elsewhere, even temporary office assistants can be hired on contract. You don't have to withhold taxes or cover them on insurance. But you do need to be sure that their duties fit within the [guidelines established by the IRS](#).

Taxes

10. Speaking of taxes, take advantage of all the tax breaks you can. If you work from a home office, part of your rent or mortgage can be deducted. Some home maintenance can also be deducted as well as some services such as cleaning and lawn care. If you conduct business in restaurants, coffee shops, or in your car, some of those expenses can be deducted too. Be sure to [check with the IRS](#), your tax attorney or tax preparer for a list of what can be deducted and what kind of proof you will need to justify your claim.

For some real-life examples of small businesses saving money through these means, [check out these small business success stories](#).