

## 5 Pillars of Building a Successful Small Business

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Starting a new business can be exciting and challenging at the same time; it's difficult to know where to focus your efforts first. As you prioritize what steps to take action on, remember these five pillars of building a successful small business:

**1. Choose the Right Kind of Business:** Whether you're considering building a business from the ground up, opening a franchise or buying an existing business, the business you choose will impact the rest of your entrepreneurial career. Spend some time discussing your options with friends and family to identify what kind of venture makes the most sense for your personality. Does it thrill you to think about starting something from scratch? Would you have more fun taking over an established business and working to improve it? There is no wrong answer if it's right for you.

**2. Land the Perfect Location:** Finding a forever-home for your business is a deeply personal decision with a large impact to the success of your company. Many factors impact your decision for the ideal business location: foot traffic, accessibility, parking and the demographics of the neighborhood. Further location-related considerations, such as what areas house the best employees and where the best tax rates are, should also play a role in your business location selection.

**3. Secure Financing:** Having access to capital is crucial to your business plan and long-term success as an entrepreneur. If you have good credit, cash on hand and a solid background in business, you may have several financing options available to you. It's important to research your options and pick the best funding method for both you and your business.

An increasingly popular method of funding is equity financing. For example, the Rollover for Business Start-up arrangement allows you to use your retirement funds to launch your business debt-free. This means no payments to lenders, and the revenue your business earns can be invested back into your company rather than put toward paying back loans.

**4. Manage Cash Flow:** In every stage of your business, it's important to be strategic about how you manage money. During your first few months, it's a good idea to provide incentives for clients to pay in a lump sum rather than installments. This way, you're able to have cash on hand while you work toward generating revenue. Once the business can afford it, you can then switch to smaller, installment payments that will create regular, ongoing income (switching from annual or quarterly billings to weekly or monthly installments can help with this).

**5. Hire Great Talent:** The time and resources required to recruit and train new employees can have a significant financial impact on your business. Be sure your first hires are in sync with the company culture you want your organization to reflect, and then work to retain your best employees' long term. After all, their referrals will likely become your next generation of employees.

See the original article on the [5 pillars of small business success](#).

*David Nilssen is the CEO & Co-founder of [Guidant Financial](#), a small business financing company that helps entrepreneurs identify, evaluate and deploy intelligent business funding strategies. Read more tips about finding and financing your business on the Guidant blog at [guidantfinancial.com/blog](http://guidantfinancial.com/blog).*