

How To Protect Your Business

It may seem obvious, but many factors must be considered to safeguard your practice. In this section, we tell you everything you need to know.

By Clare La Plante

Quick: You hear the word “protection,” and what do you think?

Safety goggles? Roberts Rules of Order? Hall monitors? Think a little more, and you also may picture guardian angels, lifeguards and best friends.

Apply this to your massage business, and you may think of insurance, or contracts, or education and training, or having the right licenses and office. Some of you may think of simple confidence and faith, and the connection that you feel with your favorite clients.

The truth? All of the above apply when you're working to protect your massage therapy business. You need to make sure you

provide yourself and your business with the nitty-gritty protective devices—everything from health insurance to correct licensing.

But you also need to provide yourself and your business with the space and care that keeps your mind, body and spirit in a safe place.

What does this look like exactly? We can start with the most technical. For many business advisers, the first line of defense is insurance, or making sure you're covered in the event of an emergency whether that emergency is a lawsuit, an injury or a disability.

Chicago-based financial planner Gloria Smith, CFP, owner of Catalyst Wealth

What is professional liability insurance? The most straightforward definition is that it protects you against a lawsuit.

Management (E-mail: info@catalyst.com), advises that, specifically, this means protecting your assets. A good starting place, she says, is professional liability insurance. “Anybody who works with the public needs professional liability insurance of some sort,” Smith says.

What is professional liability insurance? The most straightforward definition is that it protects you against a lawsuit. Let’s say you have a client who feels that somehow your massage work hurt him or her—strained a muscle, aggravated an injury, or did some other form of damage. Your insurance would help pay your legal fees, and any settlement costs.

“I have liability insurance, in case someone sues me,” Smith says. “The cost varies a lot from industry to industry—even within an industry. Factors can include the number of employees you have, and the amount of assets.”

It may be jarring to think about a trusted client suing you, but be prepared. “I’m sure massage therapists think no one will ever sue them—and the risk may be low. But anyone who works on people’s bodies for a living has a liability possibility,” she says.

On the bright side, if the risks are low, so will be the premiums, Smith claims. Also consider general liability insurance. This protects you against more general claims, such as someone falling on your premises, or fire damage to property that you rent.

Another insurance to consider is disability insurance, or insurance that will pay you a salary, in essence, if you become injured or disabled. “This is really income replacement insurance,” says Smith. Disability insurance is essential if you are the sole source of support for your business and/or your family. Think of it as money in the bank (which you may choose to do instead of buying disability insurance, which can be expensive). Always make sure you have around six months living expenses in a savings account, or someplace safe if you decide to forego disability insurance.

Next on your list should be health insurance, which will, at the very least, provide protection in case of a catastrophic illness or injury. (See page 130 for an insurance list.) If you need some assistance in getting a good insurance package together, you have several avenues. “Get a good business insurance agent,” says Mike Dubis, a financial planner and president of Madison, Wisconsin-based Touchstone Financial.

“Many people call a home and property agent, but a lot of times they may not recognize all the issues of business,” Dubis adds. “I often suggest that people see a specialist.”

You’ll find two types of insurance agents: proprietary and independent. Proprietary agents work for a specific company and sell that company’s products; an independent agent brokers for many insurance companies. And don’t forget to check in your own back yard. See page 135 for a list of insurances offered through the American Massage Therapy Association (AMTA).

In addition to having insurance, says Dubis, having a plan in place in case things go awry is crucial. “You also need to have a disaster plan,” he says. “Ask yourself: How will I get up and running again? How will this affect my personal lifestyle?”

Once you have your insurance—and emergency plans—in place your next line of defense is creating the right business structure for your work. For many massage therapists, this could mean incorporating your business. “If you are running a business with employees, discuss with an attorney whether to incorporate your business,” says Smith. “You want your personal assets to be protected from acts of

employees.” You can choose from a host of incorporation options (see page 131 for a listing). The most important aspect of this step? Consulting with a professional.

“You can get different levels of protection through incorporation,” says Dubis. “And it’s pretty easy to do. You can even do it online!”

However, he always encourages his clients to consult with an attorney or other professional. “Ten to 15 percent of my own business expenditures is spent on getting advice,” he says. “It’s the cost of doing business.”

In fact, says Dubis, having a team of advisers who help to steer you in the right direction is essential. “Any business needs to have a team of advisers,” he says. Start with a CPA, or accountant, and also consider having an attorney on retainer. “When you go into business, you’re basically doing contractual work with people. You need to have an attorney review this contractual work.”

Having some informal advisers also is a good idea, according to Dubis. Often, this is simply a small group of trusted mentors and peers. “These are those who will help you to grow the business. They give you the experience you don’t have,” he says.

This can be as informal or formal, or large or small, as you like. When Dubis began his own business, he had a “board” of five or so mentors. “I called them about every quarter,” he says. “It was nice to call and bounce ideas off of them.

“At one point, my advisory board had 100 years of experience amongst them,” he adds.

As you change, and your business changes, you may also need to change your board of advisers, Dubis suggests. “If you’re growing a business, your mentors may evolve,” he says.

Another way you can protect your business is through careful finances. “One of the ways of protecting your business is to stay in business,” says Dubis. This means that you should always have what he calls a “personal lifestyle reserve” set aside, which would include several months of living expenses stashed away for your personal life, as well as a nice chunk of change set aside for business emergencies—especially if you do not have liability

insurance. “If you have a spouse who works, you’re better off,” he says.

Dubis tips his hat to small business owners. “You’re taking tremendous risks,” he says. In order to succeed at this risk-taking, Dubis recommends a lot of planning. “Most businesses that fail aren’t financed well ahead of time,” he says. In addition to being well prepared financially, having a realistic idea of your expenses and income is another plus. “You have to lay it out in dollars how much you expect to earn and what your expenses are going to be,” he says. “It doesn’t have to be anything complicated.”

Always have a Plan B—not unlike your backup plan in case of emergency, this will guide you when the going gets tough. “What will you do if you don’t meet your expectations?” Dubin asks. “Do you have another source of income? Are you willing to take a part-time job in another field? Will you work for someone else?”

If you can sit down and answer these questions, you’ll have a greater grounding when you’re faced with hard times.

Another important line of defense in protecting your business is to create one that looks, feels and acts like a wholly professional operation. “This means of preventing lawsuits is twofold,” says Smith. “First, you need to set the expectations with your clients about what they can expect from you. This includes what type of massage you’ll be doing, your hours and how

Once you have your insurance—and emergency plans—in place your next line of defense is creating the right business structure for you work.



As you change, and your business changes, you may also need to change your board of advisers, Dubis suggests. “If you’re growing a business, your mentors may evolve,” he says.

they can get in touch with you. Your clients need to understand exactly how you work and what to expect. This can go a long way toward preventing problems.”

In fact, consider this a preemptive strike of sorts. If you are clear and communicative with your clients, they will have less need to resort to formal or legal complaints, or bad word of mouth.

You also want to make sure that you listen to your clients. “The other side to that coin,” Smith says, “is making sure that your customers are satisfied and finding out if there’s anything they’re unhappy with, or some aspect of the relationship that they’re uncomfortable with, such as talking during the therapy. Make sure you know what the client wants, and that you allow the client to speak if he or she is dissatisfied.”

For Chicago-area massage therapist Paul Simpson, who has been practicing for more than 10 years without an incident, that type of communication is key. “I believe if you stay personally connected with your client you’ll be OK,” he says. “With the connection I have with my clients, I can’t imagine any of them ever suing me. Also, 99.9 percent of all my clients are referrals from my existing clients. It’s all in the family.”

He also tries to play it safe when it comes to taking risks with injuries or conditions. “I try to be aware of what’s good for my clients in vari-

ous situations,” says Simpson. “If somebody has a condition of which I’m not familiar, I’ll check different texts to see what other therapists do.”

If he has no luck there, he says, he’ll call a peer. “Or, I’ll tell the client straight up that you may want to check with your doctor on this,” he says. “If you keep in touch with the client when you’re working on him or her, there’s not a whole lot that can go wrong.”

Other ways in which you can protect yourself is by keeping healthy and balanced. “For everyone, no matter what position you have, time off is really important,” Smith says.

In some cases, letting go of some of your business can actually help you and your business to flourish, according to Smith. “Limit your practice to what you really enjoy doing,” she says. “I know a California massage therapist who did deep tissue work, and she was getting burned out. She decided to give it up entirely, even though it was a big part of her practice.”

The result has been amazing. She’s doing other forms of massage, and doing better at it. “She was scared, but now she is making more money,” says Smith. “Sometimes the way out of burnout is to give up part of your practice.”

Simpson takes a weekly “sabbath” in which he visits family and friends. He also has a regular yoga and meditation practice, weekly massages and a vegan diet that complements his work. For him, this lifestyle allows him to give his all when he’s in session. “Make sure that you don’t go into sessions and meet new or existing clients in a state of chaos,” he says. “Make sure you’re not distracted, in a hurry, or careless. All these things will affect your ability to be there for your clients.”

Simpson quotes one of his teachers, Michael Shea, who stated in a workshop that the quality of work that massage therapists give others depends not just on the physical self, but the spiritual self. He has taken that advice to heart. In the end, he says, keeping your business safe is all about being present to your clients, your business and yourself. “I think the awareness can save us,” says Simpson.

Test Your Credit Knowledge

Here's another tool to help you brush up your credit skills. The following is a short, fun quiz that will help you to see if you're credit wise, or card foolish:

1. Which of the following is NOT a business credit-reporting agency?

- a) Dun & Bradstreet;
- b) Info USA;
- c) Experian;
- d) TransUnion;
- e) FDInsight.

2. You will easily qualify for an unsecured business credit card if:

- a) You have a FICO score of 720-plus and you provide a personal guarantee;
- b) Your business has a Paydex score of 80;
- c) Your business has at least 5 employees, \$100,000 in annual revenue and is incorporated;
- d) All of the above.

3. Which of the following are essential to building strong business credit:

- a) Business phone number listed with 411;
- b) Occupational license for your business;
- c) 5-6 trade references reported on time with DNB and/or Experian;
- d) Business plan;
- e) All of the above.

4. Credit card issuers can increase the liability for business owners (from \$50 for unauthorized use) on business credit cards only if:

- a) The owner provides a personal guarantee;
- b) You agree to additional liability in writing;
- c) You have more than 5 employees;
- d) All of the above;
- e) None of the above.

5. Which of the following are NOT likely to have a significant impact on your credit score?

- a) Too much available revolving credit;
- b) Carrying large balances on your credit cards;
- c) Late payments more than two years ago;
- d) All of the above.

6. Which will NOT hurt your credit score:

- a) Reviewing your own credit report each month;
- b) Credit checks by employers or insurance companies;
- c) Pre-approved credit card offers that check your credit;
- d) All of the above.

7. If a family member or friend co-signs a loan for you, which of the following is true?

- a) They will be responsible for the full balance if you can't pay;
- b) The debt may be reported on their credit report and affect their credit score even if you pay on time;
- c) They will not be able to remove their name from the loan until it is paid off or refinanced;
- d) All of the above.

8. True or false:

Credit card issuers can raise interest rates on fixed rate credit cards, often with no advance notice.

9. Bonus question:

How long will it take (years) and how much will it cost (dollars) to pay off a \$5,000 credit card balance at 12 percent, making the minimum payment of 2 percent of the monthly balance?

ANSWERS:

1) d TransUnion. 2) a This is your personal credit score. Anything above 700 is good. 3) e All of the above. 4) d All of the above. 5) a Too much available revolving credit. This can be an asset. The credit reporting companies are only interested in how much debt you have in comparison to your credit lines. 6) d All of the above. The only applications that affect it are when you're actually applying for credit, such as applying for a credit card, mortgage or car loan. 7) d All of the above. Avoid co-signing if at all possible. And if you have to ask someone to co-sign, make sure you're conscientious about paying the bill on time. 8) True Lenders build a universal default clause into credit card agreements. This allows them to raise rates for almost any reasons, up to 29 percent or even higher. 9) This will take 27 years, and cost you \$10,542 in interest. (Even if all you did was add \$50 a month to minimum payment each month, you would cut repayment time down by 21 years, and you'd save \$3,809 in interest.)

Source: Gerri Detweiler, www.BusinessCreditSuccess.com

Using Good Credit to Protect and Build Your Business



According to Gerri Detweiler, co-owner of the Web site [www.businesscreditsuccess.com], and author of *The Ultimate Credit Handbook*, you can protect your business in all economic conditions by getting your personal financial house in order.

Why is your personal financial life important to your professional life? According to a recent study by Experian, a credit reporting company, a high correlation exists between a business owner's personal credit score and his business credit score. In fact, business owners who raise their personal credit scores will likely see a change in their business scores.

Not only do you get in the habit of using good credit if you're financially savvy in your personal life, but your personal and professional life frequently overlap. "A lot of business owners will rely on credit cards, home mortgages and other personal financing to get their business going, and to continue through rough times," Detweiler says. "So your personal credit can play a role in your business life."

Having a good credit record allows you to pay less when you borrow. "This tends to be a big deal for many small business owners," she says. "You may even get zero percent credit cards to finance your business."

How do you protect your credit? The first thing, Detweiler recommends, is reviewing your personal credit report. This is what lending institutions look at to decide whether to give you loans, charge you lower interest or approve a credit card. What you'll find in a personal credit report is a history of your borrowing activities—everything from credit cards to mortgages. You'll also see if you've been in collections, or foreclosures, and how many inquiries into your credit there have been. Most information stays on your report for seven years.

Today, many of us (depending on the state in which you live) can access a free credit report

by visiting [www.annualcreditreport.com]. Detweiler recommends also shelling out the \$5 or so to get the FICO score, or the number that the credit rating hands out as a quick identifier (sort of like an ACT or SAT score). Seven hundred is the magic number for getting loans; if it's under 650, you may have some difficulty. Once you have seen your credit report, review it and make sure there are no errors. If there are, correct them immediately.

Your next step? Set up a bill paying system—for both your personal and professional lives. "Keep you personal accounts separate from your professional one," Detweiler says. "Otherwise, it can be a nightmare at tax time."

Also borrow cautiously. "When you do borrow, do it to increase your income, not for things that may be unnecessary, such as supplies that may not draw in more business," she adds.

"It's easy to turn to credit to make up the income and to mask the fact that you're not making as much as you need to in order to keep your business alive," she says. Instead, consider borrowing money for marketing, advertising or training.

For those who plan to borrow from friends or family, Detweiler suggests using the following Web site [www.circlelending.com], where you can set up a free loan proposal and agreement. "This way, your lender will know that you are taking this seriously," she says. "Treat anyone who you would borrow from as a true investor."

Another cautionary word: Don't wait until your ship is sinking before you send up an S.O.S. "It's very important to get help right away," she says. "Debt can snowball quickly."

If you're in need of assistance, visit a nonprofit counseling agency, or a financial planner. One of the major mistakes often made by small-business owners is not seeking professional or qualified help when times are tough, according to Detweiler.

Reputable Assets: Protecting Yourself Against Bad Word of Mouth

We asked Carol Anne Carroll, author of *Start Your Own Home Business In No Time* [www.carolannecarroll.com], how to protect yourself against word on the street that's not in your favor.

Q: What is the best overall way to protect yourself against bad word of mouth?

A: The best offense is a good defense. It may seem obvious that the first thing you should do is to look at your business. If there are areas you need to address and improve, then do it! Our businesses are our babies, and it's really tough to hear criticism and to look at our business and say I'm not working to my potential and serving my clients the way I should be.

Q: What's the first step?

A: If you hear criticism give yourself time to react, and time to calm down and think about it. Is there some kernel of truth to this? We can prevent hearing difficult truths from third parties if we consistently look at our businesses. At least once a month, be very straightforward with yourself. It can be tough to do. We put a lot of work into our businesses; we tend to be protective and go on defensive easily.

Q: What are some more formal ways to get feedback before damage occurs?

A: You can do formal surveys. I recommend that they not be sent back to you, but have a third party do this. It will allow people to be more honest. Also, you may want to contact former clients—you might also use a third party for this. You can say, "You haven't been here for awhile," and listen to what they say.

Q: What are your 10 commandments for protecting your small business?

1. Pay yourself first. I'm not just talking about money.

2. Make sure you have time for yourself as well. When you are working, you do the best job you possibly can do.

3. Acknowledge mistakes and stay honest. One of the biggest failures that I see in business is that owners make mistakes that they can't acknowledge and the business falls apart. Raw honesty is really, really important.

4. Treat your clients as well as possible. (If you're doing numbers 1 through 3, this comes easily.)

5. Don't overlook the money, and don't overlook the joy. Most massage therapists are in the business because they really enjoy it. Don't get so far into the bliss that you're not looking at the bottom line.

6. Practice the hard stuff—the conversations that you dread, the talk with the client who hasn't paid you in four months, or the employee who's not cutting it. You need to be willing to address these situations as soon as they come up.

7. Understand that you choose your clients, just like they choose you. We work so hard to get clients sometimes we don't realize that it's a two-way street. We forget that if we have a client who's a problem or not profitable (switches schedule at last minute, shows up late, asks for inappropriate discounts) we can say, "I don't think I'm the right massage therapist for you."

8. Do the ounce of prevention. This looks like one of two things: Sit down and talk to an insurance agent about what you need, and talk to a lawyer if you're entering into any kind of contracts.

9. Trust your gut. If a client comes in and you have a bad sense, go with it. People tend to ignore their gut reactions and they really shouldn't.

10. Look to the future. Look at where you've been and how you've improved, and think about tomorrow. Keep an eye open for opportunities.

Insurance And Legal Checklist

According to Garrett Sutton, a Reno, Nevada-based attorney and author of *Own Your Own Corporation* and *How To Buy And Sell A Business* (both published by Warner Books), for true business protection, you need to look at two lines of defense: insurance and legal. “You need enough insurance to protect yourself, and you need to have formed a legal entity for your business where you can be protected in case you are sued,” he says. “You have to step back and ask yourself: Am I protected? Am I doing all I can to advance my interests and protect my assets?” Here is his checklist for both lines of defense:

Insurance Checklist

Do I have general liability coverage?

This is in case someone hurts himself or herself on your premises.

Do I have malpractice or liability insurance?

This is in case someone brings a claim in response to your massage therapy services.

Do I have an umbrella policy?

This is a policy that is typically with your auto and home insurance company that provides for claims that exceed your limit.

Do I have health insurance?

“Spend time shopping around,” says Sutton. “Many times these days you’ll forego low deductibles for a more affordable plan. It becomes insurance against catastrophic illness.”

Do I have disability insurance?

“This can be expensive,” Sutton says. “In some cases, you may want to provide your own ‘disability’ plan—for example, real estate or other investments to fall back upon if you become disabled. You could spend \$10,000 a year on a plan, or invest in real estate.”

Legal Checklist

What is my risk?

“The average American is sued once in his or her lifetime,” says Sutton. “When you deal with the public, the risk increases. You need to consider what your level of risk is.”

He encourages massage therapists to consider incorporating, which protects your personal assets if you are ever sued. The following are your choices if you choose to incorporate. They all provide a degree of asset protection. Talk to your accountant and legal adviser to find out which is right for you: C Corporation, S Corporation, LLC (Limited Liability Company), and Limited Partnership.

How do I want to be taxed?

“The vast majority of massage therapists with small businesses will want to form an S Corporation because you can pay yourself a reasonable salary,” Sutton says.

What state do I want to incorporate in?

For example, he says, “Illinois doesn’t have the best asset protection laws, so you can form a Nevada Corporation and qualify for an Illinois business.” Consult your attorney to find out which state is best for you.

If I have incorporated, have I done the appropriate paperwork?

Suggests Sutton: “Have I paid my annual fees to my state? Have I held my annual meetings? Are all, not just my corporate papers, in order? Have I filed a corporate tax return?”

Do I need a trademark?

“If you go out there and use a trademark that someone has nationally registered, you can spend a lot of time advertising on brochures, only to get a cease and desist order,” he says.

By the way, Sutton encourages MTJ readers to call his office for a 15-minute free consultation on any of the above questions: 800-700-1430. Or, E-mail him at gsutton@sutlaw.com.

Ask An Expert

We asked financial planner Mike Dubis, president of Touchstone Financial in Madison, Wisconsin, to answer the following questions on protecting your massage therapy business.

Q. How can I protect myself from a slow year/season?

A. A slow year is typically a product of one of two reasons: 1) the demand for your services has slowed due to slow local economy; or 2) you're not doing a good job marketing your services. In both cases, having an adequate cash reserve for both the business and your personal lifestyle in a bank money market or short-term government instruments as an emergency fund should allow you to weather the storm. If you are having a slow year due to marketing, then I would suggest you invest some money in public relations and advertising, or seek out a consultant to help you bring in more business. Protection often comes at a cost.

Q. I broke my arm skiing and can't work for three months. What should I do to make sure I am protected next time something unexpected happens?

A. If the injury only kept you out of the office for three months, then your best bet is to build an emergency fund. Buying short-term disability insurance is very costly and unnecessary if you have the reserves available. Now if you get injured and it takes you out for longer than three months, you should have third-party long-term disability insurance. Contact a good independent insurance agent and discuss your concerns. Unfortunately, though, for many small business owners, if you do not have a solid profit-loss statement or income trail, getting adequate disability insurance may be difficult. In any case, cash is always king and allows you freedom

when the unexpected happens. So build up those cash reserves!

As for your business, if you're capable of it, you should have an employee who can temporarily take over your duties, and meet your clients' needs. Otherwise, make an arrangement with a colleague in your community to take your client load while you're out. Incorporate some sort of referral fee so that you can have some income coming in along with some sort of non-compete agreement—see your attorney on this. Your clients will hopefully appreciate the referral and likely will come back as soon as you're back on your feet.

Q. How do I choose a good accountant or attorney for my business?

A. First, know what you're looking for. Attorneys and accountants, like doctors, come in all shapes and sizes with all types of specialties. You want one who is not only a business specialist, but preferably one who understands your unique industry and its risks. If you have colleagues or peers who are in the same business as yourself, find out who they use. Read your local industry journals and newspapers to see if there are any advertising in them as specialists. Otherwise, contact the larger law firms and CPA firms in your area. They generally have a vast body of human capital, often with specialists in every area. Gather two to four names, and request an introductory phone call or meeting with them. Ask them pointed questions about their experience with your industry, and whether they have references. Also, be sure up-front how they are billing. But don't shop for the cheapest—you will get what you pay for. Finally, go with your gut.

Q. I don't know why, but my business seems to be slowing down. I'm not panicked...yet. But I'm starting to feel uncomfortable. What can I do?

A. It's good you recognize the problem now, while you still have time. Revisit your business plan. Benchmark your progress to some standards or goals. You should be concerned if you feel you are not meeting revenue projections. Figure out why your business is slowing. If you don't figure it out, eventually you will go out of business. Once that's answered, revamp your marketing plan. You should be setting aside at least 40 percent of your week to marketing when you are either first starting out or at a point where business prospects look tight. Just like one shouldn't be looking for another job after one leaves his or her current one, you don't want to be looking for business when everything else is dried up. Panic will set in quite quickly at that point, and you won't be able to make clear decisions, possibly causing a snowball effect of bad decisions.

Q. A client, who is notoriously difficult, began spreading rumors about me. How do I protect myself?

A. This is really a legal question. Talk to your attorney about any potential legal recourse. If it is true, then shame on you. If it is not, weigh the costs of recourse vs. the cost of the bad word of mouth. But a bigger issue arises here: Learn from this mistake and update your business plan to highlight clients you will NOT work with, so that next time a "difficult" prospect comes through your door, you turn him or her away. There's nothing wrong with firing clients. As you have probably learned, just because they paid you a fee doesn't mean you made any money.



Safety Tips For Protecting Your Business

1. Keep a set of critical documents—such as tax records, payroll, customer lists—off-site in case of fire or theft.
2. If you keep your important client and office records on your computer, make sure you back the information up—either in hard copy, or on a Zip disk or CD. Always have virus protection on your computer.
3. Keep in regular touch with your customers through special offers, newsletters or holiday cards.
4. Monitor your clients' feedback with questionnaires, calls or regular dialogues.
5. Organize your records regularly. Keep your private records private.
6. Never sign a contract without having a lawyer read it first.
7. Clear, consistent payment protocol, and stick to it.
8. Keep your insurance updated. Review your insurance needs once a year.
9. Keep your personal and professional finances separate.
10. Keep your licenses—and association membership—updated as well.

How To Protect Yourself From Competition

Even though having a strong network of peers can be one of our greatest assets, we also need to know how to stand out from others. One way to do this is by creating a niche for ourselves by offering special skills or knowledge that bring the customers back again and again. Beyond that, we also need to protect our business by keeping up with others in our area. The best way to do this is to create a business that's professional and above reproach. How do you get an objective view of your own business? Try being a customer yourself.

Go visit another massage therapist, ideally one in your area. Take the following notes (for yourself only). You can write them as you exit your appointment. Then compare them to your own business. It's called getting a customer's point of view.

Outside

- Is there available parking, or accessibility from public transportation?
- Is the massage business sign clearly marked?
- Can you easily find the entrance?
- Are you greeted in a friendly manner by either the receptionist, or massage therapist?
- Are any questions you have about the massage process answered?

Comfort Level

- Are the bathrooms clearly marked and clean?
- Is water available, both before and after session?
- Is the temperature comfortable?
- Are the linens and blankets clean?
- Is the music appropriate and enjoyable?
- Are the office and/or treatment room decorations soothing and appropriate?

Professional Courtesy And Behavior

- Does the massage therapist greet you and make you feel welcome?
- Does he or she start on time?
- Does he or she inquire about any health issues, and listen while you respond?
- Do you feel comfortable asking questions?
- Does he or she seem calm and centered and focused on the work?
- Does the massage therapist's work fit your expectations, and his or her description?
- Does he or she invite feedback?
- Does he or she offer feedback after the session is over?

Financial Transactions

- Is the payment schedule clear?
- Do rates seem reasonable and competitive?
- Are you given options for payment?
- Can you buy any specials or package deals?
- Does the work seem appropriate for payment?

In Your Own Back Yard

AMTA members have access to some of the best protection in the business, including AMTA's liability and health insurance plans. Liability insurance is included in AMTA membership fees, with extra coverage available for additional fees. The other types of insurance are fee-based:

Professional Liability: This protects you if you are sued for any work that you are qualified to perform as a massage therapist.

General Liability: This protects you against claims for what could happen during a massage, on or off premises. This includes property damage and legal liability related to fire damage.

Major Medical: Covers major personal medical costs, depending upon the plan, after a minimum payment has been reached.

Term Life Insurance: Guarantees a lump-sum settlement in case you die.

Disability Insurance: Secures income for you in case you are injured or incapacitated, and unable to work.

Catastrophic Major Medical: This type of plan pays medical benefits that are extremely expensive, after a relatively high minimum is paid first by you.

Business Overhead: Pays normal business costs for a short-term period, in case you are unable to do so.

For information on the above policies, contact a Marsh Affinity Group Services representative at 800-503-9227.

Did You Know?

A study published in 2003 by the Small Business Administration's Office of Advocacy,* found that 46 percent of small businesses used personal credit cards, 34 percent used business credit cards and 28 percent used lines of credit to fund their businesses. There's a gender difference as well: Credit cards were the most often used type of credit by women-owned firms, with 48 percent using personal credit cards and 29 percent using business credit cards.

* Read the entire study at www.sba.gov/advo/stats/ssbf_98.pdf.



Help Is On The Way

Are you flummoxed by the requirements set out by local state and federal organizations regarding your business? Here are some places to go for answers, or just simple guidance.

Call relevant local government agencies. Let your fingers do the walking through the government pages section of your local phone directory. For tax issues, look under “Tax Collector.” For real estate issues, look under terms like “Planning Department” or “Building Inspection Department.” For health-related issues, the heading in the phone book is almost always “Health Department.”

Contact your local chamber of commerce. Most communities have a chamber of commerce; the better ones have a helpful information for prospective and current small-business owners.

Speak with other small business owners in your field. Those who “have been there and done that” can tell you about their experiences and what they’ve discovered. Although you can find out a tremendous amount speaking with fellow small-business owners, keep in mind that others may or may not have done a thorough job of researching regulatory requirements and may have chosen not to comply with certain regulations.

Tap the collective experience of trade associations, such as the AMTA.

Chat with real estate agents and building contractors. If your business is going to be in a commercial or retail space, you can acquire much knowledge conversing with agents who sell or lease space and/or contractors who develop and renovate space similar to what your business will occupy.

Cruise your state’s Web site for applicable small-business agencies. You never know what you’ll find here. Many states have an office of small business, which may even serve as a one-stop resource for all your needs. If your state doesn’t have an office of small business, try either the state’s Commerce Department or the Economic Development Department.

Work with experienced small-business advisers. Tax and legal advisers, as well as consultants experienced with businesses like yours, can help point you in the right direction. Although such advisers charge a hefty hourly fee, they may be willing to offer gratis tips on general regulatory issues in order to cultivate your future business.

Source: *Small Business For Dummies* by Eric Tyson. Used with permission by Wiley Publishing, Inc.

Making It Work

A Small Business Owner's Tale Of Success

When Anna Pamula, 45, immigrated here from Poland 13 years ago, she came to work as a speech pathologist. However, America's particular state of the union at the time—the rampant stress and lack of holistic health—prompted her to make a vocational change: She began to study massage therapy at the Chicago School of Massage. This eventually led her to own a massage practice, and finally, to her current stint as owner of Renu Day Spa in Deerfield, Illinois. There, she manages others, as well as runs a business that earns more than \$1 million a year.

Pamula has learned a lot about protecting her business, which encompasses massage, facials and other health and beauty care. And one of the most important lessons she's learned is to put her massage therapists first. First of all, she makes sure she hires those who she really likes—and she tries out their work first. "I always interview people first by having them give me a massage."

Next, she makes sure that she pays them what they deserve. "I give my massage therapists the highest commission in my spa," she says. "This is such hard, physical work." As a massage therapist herself, she recognizes that for many of these massage therapists, it goes much deeper than being just a job, albeit one they love. "You

have to be a spiritual and giving person," she says. "You really have to have inner beauty in order to give a good massage."

She also gives the massage therapists the room to make a living, which means giving the space to have a robust roster of clients. "I have five massage therapists on staff. I don't overhire," she says. "That can stress your employees."

Pamula also doesn't hesitate to hire those who are ambitious, even if it means they will be moving on sooner rather than later. "I would rather have an ambitious therapist on staff who is thinking of her own business and who is building her reputation than someone who just comes in and does her job," she says.

For her, it's the overall reputation of the spa that matters. "I'm not afraid of how long they'll stay, but how well they'll take care of my clients," she says. "Good news spreads slowly, but bad news spreads very quickly."

Most of all, she understands that treating massage therapists—and all her employees, including herself—with respect always pays off. "Massage therapists play such an incredible role in improving people's lives and well-being," she says. "I think my business will always be safe because I hire people who are highly talented and qualified, and who are very motivated."

Clare La Plante is a freelance writer based in Skokie, Illinois. A columnist for *MTJ*, she has contributed articles to a number of national business publications. She is the author of *Wall Street on a Shoestring* (Avon Books, 1998). La Plante can be reached at: CRLaPlante@aol.com.