

# How to Find Your Money Zen

BY [CATHERINE CLIFFORD](#) | October 19, 2012 |

[Running your own business](#) will undoubtedly include some stressful moments. And for many entrepreneurs, those anxious times are often associated with managing [the business's finances](#). Here are some recommendations for things you can do to make your life as a business owner less stressful by becoming more efficient managing your finances.

About one in three business owners report that managing their finances causes them the most stress of all their various managerial duties, according to a recent survey of more than 400 business owners from TD Bank. Also, nearly half of business owners think they spend too much time managing their business's finances, according to the survey, which polled businesses with less than \$5 million in annual revenue in the New York, Boston, Philadelphia and South Florida regions.

That isn't a surprise, since the biggest concerns of small-business owners right now have to do with finances, says **Mary Kelly**, an economist and leadership expert whose Dallas-based company [Productive Leaders](#) focuses on growing profits.

Business owners are worried about the possibility of having to pay higher taxes at the start of 2013 with the impending ["fiscal cliff,"](#) they are worried about being in compliance with regulations, and they are worried about financial implications of health-care reform, says Kelly. Here are four recommendations for managing your finances that will help keep stress levels to a minimum:

**1. Be sure you have a profit and loss statement.** Known as a P&L statement, this document "tracks every penny that goes in and out of the business," says Kelly. If you have never had a P&L before, Kelly recommends starting out with the [template](#) she provides for free on her website. Most business owners don't keep their profit and loss statement up to date, if they have one at all, says Kelly.

More common is for entrepreneurs to scramble to get their P&L together at the end of the quarter, says Kelly. Keeping your P&L updated daily not only prevents you from having the last-minute scramble, it also helps you know exactly where you are financially at all times.

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**2. Know your "sweet spot."** Growing your business is generally a good thing, but there comes a point at which if you grow too much, too quickly, you risk surpassing the demand for your product or service. At that point, your profits will begin to decrease. It's important to operate your business at this financial "sweet spot," where your profits are maximized, says Kelly.

Consider a deli that has a small number of tables and consistently has a line of customers out the door. They decide to expand into the newly vacated shop next door and suddenly they can't support the increase in costs of the expanded shop with the amount of business they can attract, says Kelly. "Many times people say, 'Oh, my business is expanding.' Well, that may or may not be a good thing," she says.

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**3. Hire a tax strategist.** Business owners always need to keep an eye on the horizons of expenses, but that can be hard in an election year, where so much could change depending on the results of the Nov. 6 election. For example, millions of small businesses are currently not in compliance with the forthcoming regulations as a part of the Obamacare health-care overhaul, says Kelly. To decrease your stress about uncertainties and increase your ability to handle these changes efficiently, seek out a tax strategist now, says Kelly. Don't wait until Nov. 7 when every other business owner also realizes they need help deciphering legislative changes.

If you haven't ever worked with a tax strategist before, it can seem daunting to figure out where to go to find a good one. Turn to your local business community, says Kelly. Reach out to your local chamber of commerce, your local Small Business Development Center or your local SCORE chapter.

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**4. Get your business plan in tip-top shape.** "The deli guy wants to be in the deli, he doesn't want to be sitting there writing a business plan," says Kelly. But do it anyway. Make sure that you are clear on where you are going and what you are spending money on. "If you know your plan, then you can strategize for everything else," says Kelly.