

The New York Times

## You're the Boss

### The Art of Running a Small Business

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## This Week in Small Business: Everyone's Pointing Fingers

By [GENE MARKS](#)

[Dashboard](#)

A weekly roundup of small-business developments.

What's affecting me, my clients and other small-business owners this week.

### The Nation: A Brave Man

A [hero receives](#) the Medal of Honor (and [this Marine](#) wins a prize, too).

### The Debt Ceiling: Are They Insane?

Wait a second. The budget deficit is [shrinking](#)? Stuart Shapiro wonders if our politicians are [great negotiators](#) or just insane. Gallup finds Americans [prefer spending cuts](#) and are open to tax hikes. Anthony Orlando confronts [five myths](#) about the debt-ceiling crisis. (For me, this video [sums up the debate](#) so far.)

### The Data: Retail Is Up But So Is Misery

Consumer prices record the [largest drop](#) in a year. Mark Perry lists the [Top 10 manufacturing](#) industries of 2010. [Hotel](#) demand increases. Retail sales [increase slightly \(pdf\)](#). The Association of American Railroads reports [steady growth](#) in rail traffic. It turns out [commerce has a pulse](#). The United States [trade gap widened](#) to near a three-year high in May. The Misery Index is still [the highest](#) since 1983 and [unemployment claims](#) are still above 400,000. An Esquire writer asks, "How can [we not love](#) Obama?"

### Jobs 1: The Data Are Ugly

The number of [job openings](#) in May was three million, unchanged from April. There are nearly [five workers](#) for every available job. GE's chief executive [demands](#) that businesses hire more people. The Chamber of Commerce reports that small businesses [are ignoring](#) GE's chief executive. In fact, more than 75 percent of small-business owners surveyed by Harris Interactive [don't plan to add](#) any employees over the next year. Economists admit [they're clueless](#) about jobs and debate whether we need [90,000 or 187,000 new jobs](#) per month to keep the unemployment rate steady.

### Jobs 2: Everyone's Pointing Fingers

Eric Singer says that the [war on small business](#) is what's keeping job gains low: "Small businesses are starved for capital and inundated with regulations. The starvation is the cumulative result of years of self-inflicted wounds affecting capital sources, and regulations are accelerating, all with enormous negative effects on our economy." Douglas A. McIntyre says that [start-ups are not hiring](#) because of "the effect of government austerity measures at all levels, which have caused a series of layoffs that are likely to continue as states, town and the federal government sort out their deficit problems." Tyler Durden (angrily) explains why small businesses aren't hiring and [won't be hiring](#). One reason: "The vast majority of small businesses are marginal, and they cannot afford to hire employees when the already crushing costs of health care continue rising."

### The Economy: Honey, We're Wiped Out

As corporate [earnings](#) climb and [piggy banks](#) fill up, the National Federation of Independent Business reports that [small-business optimism dropped](#) in June: "an unsurprising reading,

basically unchanged from the previous month and solidly in recession territory.” One reason: [late payments](#). David Schuler [laments the decline](#) in personal consumption. A new study says that “America’s middle class has been [utterly, completely wiped](#) out.” Mark Thoma asks if we’re [stuck in low growth](#) forever: “I believe we will eventually recover to a new growth path that is near, but a bit lower than the old one. The recovery will be slow, but we will get there eventually. How long it takes depends, in part, upon how aggressively we attack the problem with monetary and fiscal policy measures (or how much we make things worse with mistakes in either area such as premature deficit reduction or interest rate hikes).” Women owners of small businesses [expect better times](#). The Fed [considers](#) QE3.

### **Red Tape Update: Congress’s Bright Bulbs**

Proposed [legislation may harm](#) Department of Defense small-business contractors. The Feds start [relaxing health care laws](#) for states. The light-bulb [bill goes dark](#). A fan who caught Jeter’s 3,000th hit [may owe big](#) in taxes.

### **Marketing: Don’t Listen to Kevin Costner**

A retail marketer says that merchants should use [social media to listen better](#): “Listening is the new marketing. It stands to reason that, if people are talking to each other and those conversations have influence, merchants should take time to listen to what is being said. Listening is the on-ramp to engagement and I would not pursue a social media plan of action without first taking time to listen.” Jason Hennessey offers four simple ways to [increase Web site conversion](#) rates. Janet Aronica shares 25 ideas for [livening up your Facebook content](#), including: “Use the top photo strip of your Facebook page in a creative way. Spell out a word for a particular campaign, make a cartoon by connecting the images or show unique head shots of employees.” A new survey reveals that the vast majority of businesses [do not have formal policies](#) regarding social media activity. Jessica Commins explains how to [keep Kevin Costner](#) from ruining your blog and business.

### **Management: Kenny Powers Is the C.E.O.**

Rob McGovern is the [same driven entrepreneur](#) he was before his horrific car accident — except that now his brain works differently. Harvard Business Review wants us to consider [ditching the endless stream](#) of PowerPoint presentations. Netflix [teaches us](#) how NOT to raise prices. [Kenny Powers](#) explains his strategic plans. We can learn about [managing contacts](#) from Bill Clinton. Tim Berry explains [the differences](#) between small-business owners and high-growth entrepreneurs.

### **Success Strategies: Good News for McDains!**

Good news for [McDain’s Restaurant](#): children now make up the [smallest-ever percentage](#) of the United States population. Small businesses may benefit from the end of the [space shuttle](#). Nick Hughes tells [how not to launch](#) your company. Christian Arno explains why we need the [foreign language Internet](#): “many organizations are missing out on this golden opportunity, because even in this digital age they refuse to go multilingual.” The UPS Store introduces a [Facebook contest](#). Pitney Bowes [communications makeover](#) contest ends soon. Danielle Gould explains how [one company](#) built a data-driven start-up. Dan Shapiro explains [why he sold](#) his start-up to Google.

### **Your People: Do They Know What 26 x 27 Is?**

These 10 companies have the [toughest interview](#) questions. Example: “What’s 26 times 27?” A new bill targets [workplace bullying](#). A [frequent flier](#) hits 10 million miles (but did he know he could [fly for free](#)?). Kate Rogers explains why fines for not paying [overtime can cost](#) small businesses big bucks. Mitch Betts says you [can’t avoid](#) office politics.

### **Around The States: Food Fight In California**

A new program will [offer solar systems](#) in the Bay Area. It’s not too late to attend a [small-business seminar](#) in the Los Angeles area. New Hampshire [small businesses receive \\$13 million](#). Many restaurants in Baltimore may be unaware that they [need to “paws”](#) for registration. A New Jersey survey says that business owners [aren’t planning](#) to hire. Californians brace for a

[food fight](#) over vending machines. Michigan businesses are seeing [signs of improvement](#). The White House is [sending help](#) to selected cities. Las Vegas reports a [modest increase](#) in small-business hiring. Philadelphia papers are to be offered with [tablets](#). A new start-up in Brooklyn is [everything an energy firm](#) isn't supposed to be.

### **Around the World: There's No Magic In China**

Egypt's [young entrepreneurs](#) emerge. Chinese authorities have set an [important condition](#) before the latest Harry Potter movie can be released. The Canadian government proves it can [waste money](#) too! Hmm, [maybe Russia](#) isn't such a bad place to own a business after all.

### **Finance: Do Credit Cards Punish Small Businesses?**

Credit unions are increasing their [commercial lending](#). Keith Girard explains [how business credit cards punish](#) small-businesses: "Given the disparities between business and consumer credit cards, some small-business owners may opt to simply use their personal credit cards for business expenses." Half of cell phone owners use [mobile banking](#) once a week. [Mortgage applications](#) decrease.

### **Technology: Signs of a Bubble?**

RIM promises [seven new Blackberrys](#) in the coming months. Cynthia Harvey lists 63 [open source replacements](#) for popular financial software. [Dropbox](#) values itself at more than \$5 billion. Microsoft is going [into retail](#).

### **The Week Ahead: Real Estate Numbers Coming**

Building permits and housing starts will be announced Tuesday, with existing home sales to be released Wednesday. Economists will continue to pay close attention to weekly unemployment claims on Thursday, and the Philly Fed will release its manufacturing survey at week's end.

### **This Week's Bests**

**Reason To Not Please Everyone.** Michael Hess says there's a [price for trying to please everyone](#): "Can you please everyone? Probably not. Should you please everyone? Probably not. But if you are trying to run a good, healthy, well regarded, and 'happy' business, should you try to please everyone? Again, the answer is still probably not. So it seems to me that being presidential means knowing when to try, when not to, and how to do either and get the desired results."

**Reason To Be Charitable.** Laurel Tielis gives advice for [connecting with charities](#) to brand and build businesses: "You don't even have to have an event to donate to a charity. You can just pick a date, for example, the anniversary of your store's opening, and give a percentage of purchases that day to a charity of your choice. You, of course, will tell everyone via your Web site, e-mail, newsletter and mainstream as well as social media."

**Reason to Re-Think Our Strategy.** Melody Biringer, a self-described start-up junkie, [says that](#) "developing a break-out brand isn't easy. But you will be able to hit a nerve with your brand story no matter how crowded your industry if you approach it from these two very important angles: What can you really do and what space can you really own?"

**This Week's Question:** Does your company contribute to charities? I know I could be doing more.

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