



NECOG Development Corporation

RLF Newsletter
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Is Your Business on Social Media?

By: Alison Kiesz, RLF Manager

Many small, local businesses think they don't need to use social media because of the small towns they live in. The belief is that everyone knows they are there. However, social media can be a great source of advertising for all businesses – regardless of where you are located. 90% of businesses see increased exposure and improved sales from social media, according to Constant Contact.

Customers use social media to search out local businesses these days. They use social media to find out information such as store hours, your phone number or your address. So it's important to have your business information up to date. Customers also find it easier to send you a direct message on social media to ask questions rather than emailing you or waiting until the next morning to call with a question.

You don't have to create all of your own content for your posts. You can share content from other sources (as long as you give them credit).

Keep it personal – but not too personal. You want it to feel like a real person is behind the business account. But you may want to think twice before sharing too much about your own personal life and your personal views and thoughts. Just use common sense!

Interact with your community! Be responsive to comments, tweets, etc. Always stay positive, even if a customer isn't. Make sure you have the last word on social media. If a customer has a specific problem, feel free to address it privately, but your other community members should see that you addressed the problem publicly.

If you aren't already on social media – pick one app to start with –

(Social Media cont. on Page 2)

In This Issue

Is Your Business on Social Media?.....Page 1

Federal Tax ID Number.....Page 2

Do I Really Need A Business Plan?.....Page 3

2019 Minimum Wage.... Page 3

Upcoming Events.....Page 4

Federal Employer Tax ID Number

By: Alison Kiesz, RLF Manager (compiled from information found at www.irs-ein-tax-id.com)

A Federal Employer Tax ID Number is required by the Internal Revenue Service (IRS) for most types of business entities. The IRS uses Employer Identification Numbers (EIN) to track legal entities and what their tax obligations are.

Like a social security number, an EIN number will be with a business in perpetuity, unless the business or owners file bankruptcy or the business becomes a new entity type.

The IRS requires most businesses to complete an EIN application form, however, they're not the only ones who use EIN numbers. For example, banks and lending agencies often use EIN numbers to establish accounts and credit in the name of the business.

In most cases, a sole proprietor does not need to get an EIN. Usually, it is totally acceptable for a sole proprietor to use his or her social security number in the place of any other tax identification number. Some sole proprietors, though, believe having a separate tax ID number is a better option for a couple reasons. First, it is safer, as it is a way to shield your personal social security number from potential identity theft. Second, it can improve the perception people have of your business, as it establishes you clearly as an independent owner and legitimate business.

You will need to register for an EIN if you match any of the following criteria:

- You have employees
- You operate your business as a partnership or firm
- You file employment, excise, alcohol, tobacco or firearms tax returns
- You withhold taxes on revenue, besides pay, paid to a foreign alien
- You have a Keogh plan
- You are involved with a trust, IRA, estate, non-profit, real estate mortgage investment conduit, farmers' cooperative, or plan administrator program

(Social Media cont. from Page 1)

maybe one you use personally and are already comfortable with – Facebook, Twitter, Instagram, etc. and work to post consistently – several times a week.

Here are some great ideas for posts that I have seen on Facebook and Instagram:

- If you are a dining establishment - list your daily lunch or supper specials on Facebook
- Hold a 'flash sale' for one day only – advertised only through social media
- Hold a contest with a giveaway from your business (like a gift card)
- Offer a discount to new customers
- Ask people to share a photo about a specific topic related to your business (like a picture of their dirty car if your business is a car wash)
- Ask people to share a memory that ties in with your business or an upcoming holiday/event– like their first car, first job, favorite Christmas gift or favorite Christmas memory
- Show pictures of what you are doing on any particular day – it will be interesting to others
- Show pictures of new inventory coming in
- Post pictures of weather, sunrise, sunset, etc.
- Promote events going on around town
- Post about your community involvement – donating items to the food pantry, sponsoring events, providing items for a silent auction in the community, your float in the Homecoming Parade, etc.
- Share posts from other local businesses or organizations in town
- Show support for the high school sports teams or other school activities

And finally. Have fun with it! Social media is a great way to interact with your customers and notify them about sales or specials at your business. It can also help keep your business at the top of your customers' minds so that they repeatedly come into your store or use your services.

(EIN cont. on Page 3)

Do I Really Need a Business Plan?

by Kelly Weaver, Small Business Development Center Regional Director

Some people think that the business plan is “just paperwork that the bank makes me do to get a loan.” Nothing could be farther from the truth; the primary beneficiary of a business plan is the business itself.

Putting a business plan together does not have to be difficult; you already know a lot about your business so start by committing that to paper. Though formats vary, most plans address topics such as a description of your business and industry, the management team and their expertise, the personnel positions and skills needed, products/services offered, customer base (size, location, characteristics), competition, future trends affecting the business, and marketing plans for the business. A discussion of financial information including initial startup costs as well as ongoing sales forecasts, costs of goods sold, operating costs, debt service, and projected financial statements are a very important part of the plan.

Business plans can be used as marketing plans, operational plans, or feasibility studies. The length and detail of the plan depends on its intended use. The business owner needs to take the lead in the planning process. After all, it is your business; you have knowledge and insight that no outsider has. Be sure to include the Small Business Development Center on your team as well. We can also help you develop forecasts so you can consider the financial feasibility of the project.

Having a plan can help you be better prepared to deal with unexpected happenings. It can also help you make better daily decisions and choose opportunities that fit with the plan. Planning takes some time and is an ongoing process, but in the long run, the benefits outweigh the costs.

Kelly Weaver is the Regional Director of the Small Business Development Center in Aberdeen which offers free, confidential business consulting to start up and existing businesses. She can be reached at (605) 626-2565 or kelly@growsd.org. The Center is hosted by GROW South Dakota.

(EIN cont. from Page 2)

A sole proprietor must get a separate EIN for a business if any one of these things are true:

- The business has employees
- The individual files for bankruptcy
- The business becomes a partnership or corporation
- You purchase or inherit an existing business that you operate as a sole proprietorship
- The business wants to open a Keogh or solo 401(k)

For more information, contact: Internal Revenue Service at (800) 829-1040 or www.irs.gov/businesses/small

South Dakota's Minimum Wage Increases to \$9.10 on January 1

South Dakota's minimum wage for non-tipped, non-exempt employees will go up to \$9.10 per hour on January 1, 2019. Employers must pay tipped employees at least \$4.55 per hour, which is 50% of the state minimum wage. The wages paid by the employer plus the tips received by the employee must equal at least the minimum wage.

With limited exceptions, the minimum wage applies to all employees regardless of number of hours worked, length of employment or age of the employee. The state minimum wage does not apply to babysitters or outside salespersons. There are also certain exceptions for employees of amusement or recreation establishments.

South Dakota's minimum wage is adjusted annually. It is adjusted by any increase in the cost of living, as measured by the Consumer Price Index, published by the U.S. Department of Labor.

Upcoming Events

Marketing Crash Course | December 12 | 12:00 – 1:00 pm | \$15 | Aberdeen

Marketing is one of the biggest factors in a business's success and remains a mystery to many. Travis Schaunaman, Owner of Production Monkeys, will give you tips on crafting a selling message and determining where to spend your marketing dollars. Register online at <http://adcscsd.com/events/>

NECOG Office Closed | December 24—25 for Christmas Holiday

NECOG Office Closed | January 1 for New Year's Day

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