

ENTREPRENEUR SALARY CUTS

(How to determine own salary)

After working as an employee for years when you decide to establish own business, it's difficult to set salary figure for yourself.

Ahmad Khan runs his clinic in Islamabad. His wife owns a popular beauty parlor. They work hard, and their businesses do well, but you wouldn't know it from their skimpy paychecks. Wife didn't take single rupee for first three years of business and even now she takes

just enough to pay household bills. More or less same story I observed with Mr. Ahmad as well. He said I have been paying myself less than my employees so I could afford new equipment for clinic.

If you are in the trenches of running your own business, this couple's dilemma likely comes as no surprise. But here's the thing: like them, you probably didn't launch a business to make less money than you did at your last job. The whole point is to follow your entrepreneurial dream to a better life, right?

I suggest that it's all right to think about funding that better life sooner rather than later. While there is no one correct answer as to how to pull money in your pocket and grow your business. Just consider following:

- A. **PAY YOURSELF THE MINIMUM.** If your business is in growth mode, consider paying yourself just enough to cover your rent, household and utility bills expenses.
- B. **MAKE EVERY MONTH A BONUS MONTH.** Many business owners pay themselves whatever's left at the end of the day. I pay all of the business-related expenses each month and then the rest is salary. It's different every month because the earnings are different every month.
- C. **PAY YOURSELF WHAT YOU ARE WORTH.** Make use of online search to discover what others in your position earn. It motivates to succeed. If you cannot cover everything you hold off on salary but mark it as debt the business owes.

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