

THE FINANCIAL EDGE

March 2016



Easy to Start, Hard to Finish

Personal comments by Mary

My list of projects is ever growing, especially during this time of year. I start a tax return, get interrupted then go back and attack it again. Sometimes this goes on over several weeks. I do it again and again until the last piece is completed. When I prepared my first tax return this year I found it difficult to push the final button to print the return. I had to have a conversation with myself - *is there anything else I can do to improve the results? Is it perfect? If there is nothing left, then just do it.* All my efforts to prepare the return do not count until I file the return. I find it easy to start, the true challenge is to finish.

I belong to Toastmasters. It is a worldwide nonprofit group designed to improve your speaking and leadership skills. The first goal is to prepare and deliver 10 speeches. Each speech focuses on a key component of a process, accumulating to the last one. After the first 10 you have the basics covered and can move to the advanced speech series. I have been in the group for 10 years, only 5 out of 60 have actually finished the first 10 speeches. They start strong, but fail to complete.

To create true results it is critical that you finish. A half-finished job is worthless. If you want to make an impact on this world find the fortitude to finish! Have a great March!

"It does not matter how we start, it matters little the colossal mistakes we commit along the way. The only thing we will be judged by is how we finish"

— Faisal Khosa

"Improving the lives of small business owners" FOCUS\$CPA Inc



What Clients Are Saying...



"As a small business owner, I find that it is easy to get so caught up in the details of running the operations, collecting money and paying bills that I forget to look at the bigger picture of profitability and whether or not we are growing as we should."

From the late Greg Robinson,
*Innkeeper/owner of
Astor House Bed & Breakfast*

*Your referrals are appreciated and will be
treated with utmost care!*

Are you on Social Media?

We are! And we'd love to have you follow us...

Visit www.focus-cpa.com/blog for quick links to our social media channels...



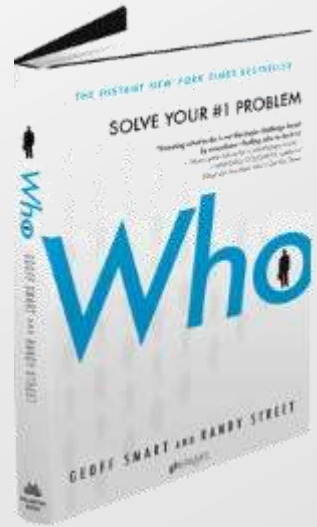
While you're there please take a minute to leave us a review.

The Book Review

Title: WHO: Solve Your #1 Problem
Author: Geoff Smart and Randy Street
Topic: hiring
Easy to Read: \$\$\$\$\$ (5 out of 5 dollars)
Applicable to life: \$\$\$\$\$ (5 out of 5 dollars)

Summary: The authors lay out a step by step approach to hire "A" players. The book starts with clarifying what you want, how to find them, the interview process and closing the hire. All of this is based on extensive research with companies who have hired successfully.

My recommendation: I plan on personally using this approach to hire later this year. First - define core competencies needed to succeed. Next – create a scorecard for each position that defines their mission and desired outcomes. Then create an ongoing networking system to find qualified candidates. Once a candidate is identified apply the four step interview process. Make the choice and remember to sell from start throughout the first 100 days.



Pages: 172 | Published: 2008



The Millionaire Club

By Mary Guldán-Lindstrom, CPA

Early in my career, I recall an interesting conversation with an experienced successful business owner. I mentioned that so and so was a millionaire. He strongly refuted it by saying "no - he doesn't make a million dollars a year". He had made his millions in a very creative way. He leased to a startup retail store, setting the rent as a percent of sales. That startup was ShopKo. I discovered that we had two different definitions of a "millionaire". My definition was having a net worth of \$1 million, his definition was earning \$1 million a year.

According to the Spectrem Group, who does research on wealthy investors and retirement plan participants, they find that the number of millionaires in the United States has reached 10.4 million in 2015. This is up from 10 million in 2014 or an increase of 4%. The millionaire population had plunged

in 2008 down to 6.5 million. Since then the U.S. has gained or added back more than 3.9 million millionaires.

To break apart that group even more, there are 1,210,000 with a net worth between \$5 million and \$25 million. This group had an increase of more than 40,000 households from last year.

Their conclusion - more people are becoming wealthy. Are you part of this group?

If you want to be part of this group or move into a more select group – see our special offer this month "Build Your Net Worth" or contact Mary. We will be kicking off this new service program for small business owners.

9 Ways to Increase and Protect the Value of Your Business

By Mary Guldán-Lindstrom, CPA

An entrepreneur can spend years starting and building a business. For many we live and breathe our passion, put in long hours, and give up being with family and friends. We invest our blood, sweat and tears.

Consider these odds: one out of two businesses never returns to the marketplace following a major disaster. Of those that do, half go bankrupt within three years. The ones that survive plan their response to a disaster *before* it strikes.

We may be hoping to be the next Mark Zuckerberg or just find that pot of gold at the end of the rainbow. Are you prepared? What does that pot of gold look like? When is the right time to start watching for it?



Here are 9 ways to increase and protect the value of your business:

1 Plan your exit now! It doesn't matter whether you plan on selling the business to outsiders, passing it on to a family member, setting up an employee buyout, or just generating cash. Determine your desired outcome. Your business may be a great option for someone or be a great add-on for an existing company. Knowing the desired end result makes it easier to determine your daily decisions. It removes the wasted time of indecision.

2 Be prepared. If you're not available, who will make decisions on the company's future? Who will implement them? The value of the business will drop quickly.

3 Have good financial records. The financial records tell a story; have them tell a story with a reliable, consistent and positive financial ending. Know who your customers are, clearly identify revenue streams and costs. The financial records can tell you when something is going astray.

4 Keep the accounting records clean. Keep your personal financial activity out of the business. Report all income. Make sure the business is in compliance. A tax audit can wipe out the financial reserves. Pay yourself at least a fair wage.

5 Diversify your investments. Create an alternative income source outside of the business.

Fund a retirement account, own commercial real estate, create passive income stream, etc. It will take the pressure off one source. Diversification provides choices, choices to recover from a recession, key management changes, security breach, etc.

6 Have the business work without you. Can you take off on a one week, two week or a month long vacation? If not then you have a job, not a business. If you are indispensable, how is someone else going to get value out of it?

7 Ownership agreement. If you have other owners, it is critical to have an ownership agreement in writing and a way to fund it. If you don't have other owners, have an emergency business succession plan. The value of the business can decrease quickly if leadership falters.

8 Have written policies and procedures. Strong consistent financial results increase the value of the business. Consistent application of policies and procedures provide consistent results. Writing them down assists in maintaining the income it generates. Long term customer contracts, alone, can increase the value of the business.

9 Plan as early as possible. Once your plan is in writing, update it annually. Evaluate the likelihood and consider other possibilities.

It takes just a little time to protect your business versus the years that are spent building it. Take the initiative to maximize and leverage your time, energy, blood, sweat and tears. Instead of hoping for the pot of gold at the end of the rainbow – visualize it, prepare for it and expect it.

At FOCUS CPA Inc. we are here to help – whether it be brainstorming, documenting, cleaning up the financial records or providing focus to get it done. Contact Mary today mary@focus-cpa.com to put your plan in place.

"Improving the lives of small business owners" FOCUS CPA Inc.

BUILD YOUR NET WORTH

A program designed for small business owners.

FOCUS CPA Inc. is designing a special "Build your Net Worth" program for small business owners, soon to be released this spring. Our mission is to assess your specific situation and create a plan to build it and protect it. We will be limiting it to 10 business owners, with only 9 left at the time of writing this. Contact our office, **920-351-4842** if you are interested. Details will be provided.

March 2016

INSIDE THIS ISSUE



The Millionaire Club

Early in my career, I recall an interesting conversation with an experienced successful business owner. ...



9 Ways to Increase & Protect the Value of Your Business

An entrepreneur can spend years starting and building a business. For many we live and breathe our passion...



Book Review

WHO: Solve Your #1 Problem

The authors lay out a step by step approach to hire "A" players. The book starts with clarifying what you want ...



Easy to Start, Hard to Finish

My list of projects is ever growing, especially during this time of year. I start a tax return, get interrupted

A Little Humor...

The Not So Bright Bank Robber

A man, wanting to rob a downtown Bank of America, walked into the Branch and wrote this, "Put all your munny in this bag." While standing in line, waiting to give his note to the teller, he began to worry that someone had seen him write the note and might call the police before he reached the teller's window. So he left the Bank of America and crossed the street to the Wells Fargo Bank. After waiting a few minutes in line, he handed his note to the Wells Fargo teller. She read it and surmising from his spelling errors that he wasn't the brightest light in the harbor, told him that she could not accept his stickup note because it was written on a Bank of America deposit slip and that he would either have to fill out a Wells Fargo deposit slip or go back to Bank of America. Looking somewhat defeated, the man said, "OK" and left.

He was arrested a few minutes later, as he was waiting in line back at Bank of America.

