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Last Week:

- Value Drivers
- New Health Insurance Credit
- Homebuyer Credit Deadline

Important Links:

Internal Revenue Service
Indiana Department of
Revenue

LEADERS AND LAGGARDS

Some time ago I found an article where researchers identified seven keys of success for a CPA firm.

1. Leadership
2. Technology
3. Learning Organization
4. Marketing and Business Development
5. A Great Place to Work
6. Client Service and Satisfaction
7. Strategy Execution

The article quantified how certain management practices correlate with success in accounting firms. But in reality, these same characteristics are well-known in every successful business.

Successful businesses identify with a few key characteristics that separate “leaders” from “laggards.” “Leaders” are companies that evidence above-par, world-class performance in the generally accepted metrics of practice management:

- Revenue growth
- Profit margins
- Technical excellence
- Customer satisfaction
- Staff morale and tenure
- Professional reputation, and

- Brand value.

“Leaders” clearly do things differently and get superior results.

[Know someone who would benefit from this Newsletter? Send us an e-mail address.](#)

BUSINESSES AVAILABLE

1. BRAND NAME garage door installation and repair company - Marion County and surrounding counties.
2. “C” store
3. Office Industrial complex- occupied with long-term tenants, 3 acres of land.
4. Operating Day Care Franchise
5. Beauty shop – Fishers
6. A septic system company in south of Indianapolis - covers 9 counties.

MARKETING

Are businesses really interested in creating a marketing plan or is this simply a catch phrase used to start a conversation? A simple way to construct a basic plan for marketing a business is to ask six simple questions:

1. What is the purpose of marketing? Is it to get people to visit your Web site, call for more information, and, what is it you're marketing? When someone knows why they are doing something it clarifies the focus. A clear focus allows someone to make better decisions.
2. What is the main benefit you are offering? Is it to motivate people? What is the competitive advantage to whatever you're promoting? What advantages will your customer see that make you different from the crowd? Most companies are in a commodity marketplace. Other companies in a specific industry offer the same products or services, so why should a customer buy from you? Can you save them money? Can you save them time? Are you more convenient?
3. Who is your target audience? Who will you be selling to? Who is your Perfect Prospect? Take some time to think about these answers. Make a list of the qualities you'd like to see in your customers, and then market to them.
4. What marketing tactics will you use? How will you go about letting people know about your company; mail; personal contact; the telephone; webinars? In today's world there is a smorgasbord to choose from of ways to connect with people. But, it doesn't matter how you do it, just do it.
5. Do you have a niche? Is your company the highest quality, or the fastest? What makes you different? This is different from number three. This is a specialty where nobody can make it happen the way you do, so publicize it and have fun with it. Let the world know.
6. What is your corporate identity, or your brand? What do you stand for? Even if you haven't consciously produced a brand, you have produced a brand. It is the image that first appears in your customers' mind. Instead of letting it happen by accident, create it by design.

As you already know, creating a marketing plan will make you think. If you have answers to these questions, you will be well on your way to developing a successful part of your business.

THE IMPORTANCE OF FINANCIAL STATEMENTS

Whether you plan to keep your business or sell it to a third party, preparing sound financial statements is a crucial step in establishing a successful business. Financial statements help to understand a company's financial position and effectively gauge its accomplishments. Identifying areas for improvement helps in creating a positive cash flow, increase profits, and meeting overall objectives.

Financial statements offers an insight into what makes a business tick, and the criteria used to base financial decisions. These statements also provide cash flow information used to determine value for a company.

If properly drafted, these same financials report historic earnings, cash flow results, and

trends established. Historic results may be an indicator of what the future holds with a reasonable forecast of events based on the proper interpretation of a company's financial history. Creation of reasonable projections supports expectations for future cash flow and enhances the corresponding value of a company.

An analysis of financial statements helps to dispel a disparity that exists in the perception of a company's value. Without a firm handle on the effect a substantial outlay an improvement will have on the bottom line could result in a devastating effect on profits. Perhaps delaying or ditching this upgrade completely may be a better choice. To expect a company that's averaging \$500,000 of cash flow over the last three or four years to increase it to \$1,000,000 within 1 year is unlikely without a specific criteria associated with the event. Take a reality check early to avoid this problem because a valuation specialist, a banker, prospective buyer, and sometime competitors will likely conduct a similar analysis. No one should accept a company's perception of value in the absence of firm historical precedent. The starting point for a sound, well run company is to begin with financial statements, well-prepared and reviewed often.

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