

## Special points of interest:

- Here are just some of the business issues we can help you with:
- How to work ON your business, not IN it—following the E-Myth.
- What it takes to create the perfect turn-key operation.
- How to develop your essential business skills.
- How to create the ideal marketing plan.
- How to build a business that works by itself.
- How to get extraordinary results from ordinary people.
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## The 4 Ps of Positioning

You may be thinking that your business is just a business. But you can't afford to take that position. In business, often you have to create a position—a positioning message that is. And the position you want to create is the one that makes you the obvious choice for consumers.

To do this, you have to know your 4 Ps:

1. **Product**—what exactly are you offering your customers? How can you find ways to distinguish your offering? Are you able to clearly and quickly articulate the benefits of your offering? For example, a feature of a car is an air bag. The

benefit is increased safety during high impact car accidents.

2. **Price**—we do not recommend that you engage in price wars that can ultimately cut you out of business. Instead, find ways in which you can deliver superior quality and customer service so the consumer prefers your company.

3. **Promotion**—do you actively and relentlessly promote the ways in which you deliver superior quality and customer service or are your campaigns mostly centered on discounts, coupons or rebates?

4. **Place** (distribution)—do you know how and where your product or service is delivered? Are there

ways you can use this to differentiate your business? For example, a company could make a positioning statement and a promotional campaign centered on delivering its product in pristine condition within 24-hours or your money back.

To discuss your positioning statement, please feel free to contact us. We can assist you in making a position statement that truly reflects what your business does and why it should be the obvious destination for your customers.

## Creating Differences to Create Great Business

If many businesses perform the same tasks, offer the same services at similar prices, how does one become a leader and the other not? They create differences to create the position as the industry leader or the best family-style restaurant in town or the most reliable and convenient dry cleaning business.

Think of Colgate and Crest toothpaste. Essentially they are the

same product and they perform the same functions—preventing cavities and cleaning teeth. Yet Crest is the number one toothpaste. Why? Because it decided to position itself as the choice most dentists recommend.

Have you given thought to what it is your business does? Consider why you started your business. What did you want to do? Were you hoping to create a better prod-

uct than what was readily available? Were you interested in creating a family business? What is it about your business that current customers keep coming back for?

Answering these questions can help you create the differences that will set your business apart.

## The Sales Force Motivators



If your sales are slow, it may be time to evaluate your sales team and systems.

- Is your sales team motivated by the sell itself?
- Are team members compensated based on amount of sales and value of sale?
- Are salaries low and incentives high?
- Are commissions competitive?

- Do bonuses and commissions reflect a percentage of the value of the sale?

High salaries that aren't commission-driven are excellent demotivators. While the most successful sales people are driven by the sell itself, the challenge and the reward are important to keeping people pumped.

That does not mean that people who are apprehensive about being seen as pushy, annoying

or unsolicited will be poor sales people. With the right systems, these people can overcome their apprehension. Use your most successful sales person to create and document the system that works best for your business. Share success stories with your team and offer praise consistently.

**"I can give you a six-word formula for success: Think things through -- then follow through."**

**Captain Edward V. Rickenbacker**

## Some Basics for Monthly Record Keeping

The following checklist outlines the monthly tasks required to maintain accurate accounting records.

1. Balance checkbook. Reconcile all records with your bank statements so they are in agreement.
2. Total all ledgers. Compute monthly totals for sales, expenses and payroll.

3. Make tax deposits. Report and items are and aren't moving. remit withheld employee taxes. Also file and remit any federal or state income taxes due.
4. Update your unpaid accounts, expenses from petty cash, are listing them by length of time one equal to the starting balance. the books, i.e., 30, 60 or 90 days. Replenish if necessary. Use this list to discover which accounts require extra collection attention.
5. Review inventory and see which
6. Reconcile petty cash. Make sure the actual cash, plus the total of the paid-out receipts for



## Office Humor

**Why did the blonde get fired from the M and M factory?**

**Because she kept throwing the w's away.**

# Managing Your Inventory Successfully

It's important to be aware of all the costs associated with inventory, especially the costs of carrying too much inventory. This includes not only direct costs of storage, insurance and taxes, but also the cost of money tied up in inventory. Consider these important tips:

**Maintaining a wide assortment of stock**—but not spreading the quick-selling products too thin

**Increasing inventory turnover**

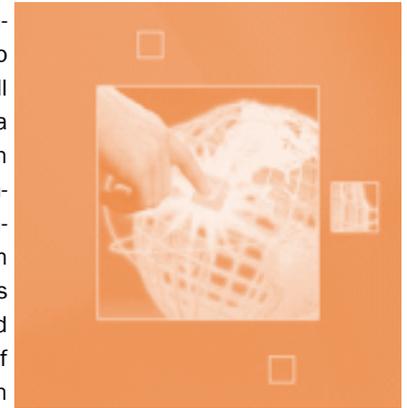
without sacrificing the service level

**Keeping stock low** without sacrificing service or performance

**Obtaining lower prices** by making volume purchases without ending up with slow-moving inventory

**Having adequate inventory on hand** without getting caught with obsolete items

Computing your inventory turnover ratio is a simple way to monitor and measure how well you are doing. This value gives a rough guideline by which you can set goals and evaluate performance. Remember that the turnover rate varies with the function of inventory, the type of business and how the ratio is calculated (whether on sales or cost of goods sold). You can obtain industry averages from trade associations.



# Taking Care of Your People Business

Just as an emerging business develops an accounting system, it should also develop a human resource system. For instance the following employee information should be available and checked for accuracy at least once each year.

- Name, Address, Nationality (immigration status), Dependents, Hire date

- Company job history: Title and code, Performance, Location, Salary rate and history, Education including degrees, Specialty training, Transcripts as appropriate

- Pre-employment work experience: Key responsibilities and levels, Professional licenses or certificates, Professional publication and speaking engagements,

Teaching experience

- Leadership evidence: Company, Civic, Career goals

- Emergency contact

Review your personnel files periodically to ensure that the information is correct and current. Implement a system that will make updating personnel files a fairly simple routine.

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**"Goals determine what you are going to be."  
Julius Erving**

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# The Power of Public Relations

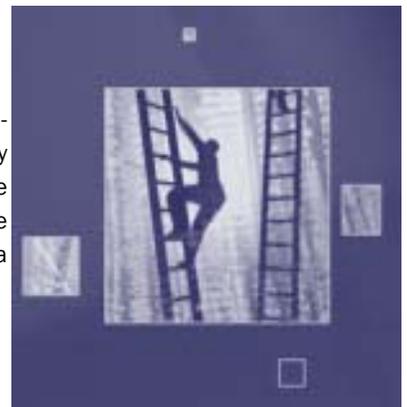
Public relations may seem fruitless. But the truth is free publicity can generate more business than expensive marketing campaigns, especially when it comes to discerning customers. What do you believe more: the glossy, expensive ad that promises to grow your hair back in 30 days or a news report featuring people

who have regained their hair because of this new prescription? News coverage lends legitimacy.

That's why publicity must be strategic. Know what *your* message is. Don't leave it to the media to make it up for you. Think about what programs and publications your target customers

enjoy. Get to know the journalists and the types of stories they feature. Have a list of available sources willing to talk to the journalist. This is publicity with a strategy, and it's *free*.

For assistance, please call.



## Effective Delegation

Delegation is an important managerial skill. Delegating allows you to focus on where your business is going, while your employees move it toward that direction. Use this checklist to determine if you are taking advantage of opportunities to delegate authority.

- Do you have time for the following:
  - Training and development of subordinates?
  - Planning?
  - Coordinating and controlling work of subordinates?
- Visiting customers and subordinates regularly?
- Remaining involved in new product development?
- Visiting branch locations regularly?
- Attending business meetings outside your business?
- Participating in civic affairs?
- Is no one on your staff as good as you are?
- To effectively delegate responsibility and authority in your organization you must:
  - - Accept the power of delegation.
  - Know your team's capabilities.
- Ensure that specific training is available.
- Select specific responsibilities to be delegated.
- Clearly define the extent and limits of delegation.
- Match each with necessary authority.
- Provide periodic monitoring and interest.
- Restrain the impulse to insist on how to do something.
- Remember there are many ways to accomplish a specific objective.
- Assess results and give feedback.
  - - Praise and offer constructive feedback.

## About Our Consulting Services

We are not your 'average' accounting firm. Far from it.

We are members of the Principa Alliance, an international network of consulting accountants.

So when you work with us to improve your business you're gaining access to a global knowledgebase and a wealth of consulting experience that is much more powerful than any one firm could offer.

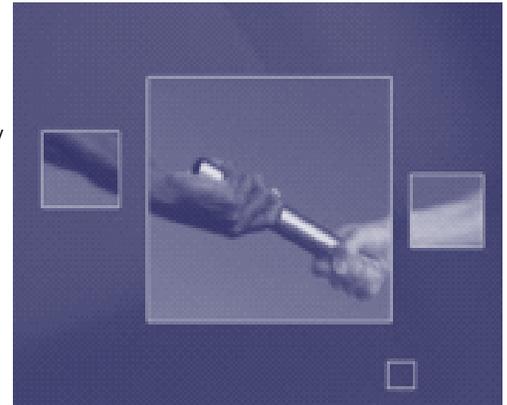
Combining our knowledge of your business, the personal relationship we share with our clients and the consulting tools, support and networking power of the Principa

Alliance, we can help you achieve more with your business than you imagined possible.

Our goal is to help you build a stronger, more profitable business and enjoy a higher quality of life as a result.

We can do so much more for you than just 'keep the score'.

Contact us today to discuss how we can help you build a business that delivers on its promise.



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