

THE FINANCIAL EDGE

September 2022



GO ALL OUT?

Personal comments by Mary

As another birthday has come and gone, I am struggling with writing the next chapter of my life. I feel as if my life is recalculating and I can't get the swirling circle to stop.

Here's my dilemma... following advice that I give to business owners I am working on my exit plan. My challenge is envisioning what that looks like. I love what I do! When I started this business in 2004, I told myself that I had retired. Retirement to me was doing exactly what I wanted to do.

Part of me wants to follow the crowd. I look around me and I meet people who at age 60 have retired and they now volunteer or travel. Then I read about Warren Buffett who at age 91 has no plan to retire. His company will go on without him. I have many mixed feelings. Even though there

are so many choices, I struggle what is the right choice for me. I don't like uncertainty and I struggle with letting fate decide.

Looking at my recent actions. I did join Entrepreneurs Organization this year, with the goal to grow the business. I am also taking time to enjoy my new grandson (and my sons) so I have more trips to Arizona scheduled. Taking a step back, I think I have made my decision. I am redefining my life.

I know I can do just enough to get by or go all out. Am I willing to take the risk of doing my own thing and go all out? YES I am.

Thanks for letting me work through that!

Mary Guldand-Lindstrom



"Life is inherently risky. There is only one big risk you should avoid at all costs, and that is the risk of doing nothing."

Denis Waitley



👂 Mary helps our business by giving direction! And by watching over the financial side of the business with good advice and feedback. She continues questioning things that are not working so well. Many times, she has made us take a long hard look at things that we may otherwise just pass over.⁹⁹

Debbie Lake,
VP Lake Companies, Inc.

**WANT TO RECEIVE
OUR NEWSLETTER?**

Sign up on our website at
www.focus-cpa.com

Email Mary@focus-cpa.com

Call us at 920.351.4842



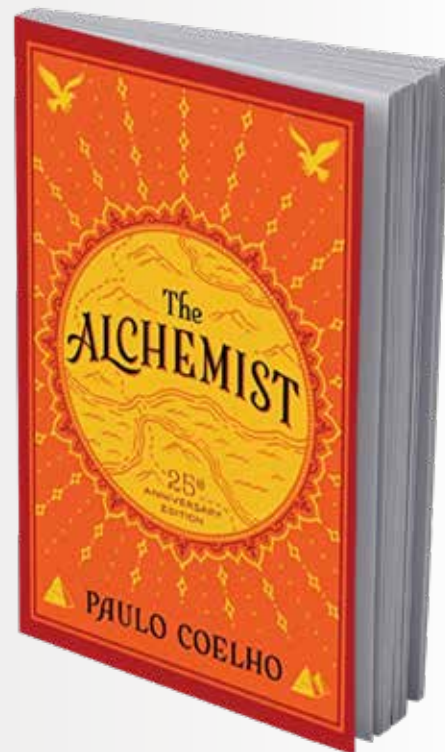
THE BOOK REVIEW

TITLE: The Alchemist
AUTHOR: Paulo Coelho
TOPIC: Self-Discovery
EASY TO READ: \$\$\$\$ (5 out of 5 dollars)
APPLICABLE TO SMALL BUSINESS: \$\$\$\$ (4 out of 5 dollars)

Summary: This is a story about Santiago, a simple shepherd, who searches for his personal legend. He starts in the Andalusian mountains and finds his way to the pyramids in Africa, experiencing life along the way.

My recommendation: I enjoyed the story about Santiago's quest. We saw him discovering his dreams, meeting sage ones along the way, getting distracted, facing challenges and learning more about the true meaning of life. Very thought-provoking book.

Pages: 163 | **Published:** 1988



LOOKING FOR A CHIEF ORGANIZER / FRONT DESK PERSON

We need a person who loves to help others and organize files and information. They will be the central hub of our business. It is fulltime, but you can still have a life. Short weeks during most of the year - Monday thru Thursday after April 15th until December 31st. Work Monday thru Friday during January thru April 15th.

Do you know someone who enjoys organizing and loves helping others? Willing to learn new things? This position has plenty of variety and advancement opportunities.

For a full job description and to apply go to:

www.focus-cpa.com/now-hiring



SIMPLIFY YOUR PROFIT & LOSS STATEMENT

BY MARY GULDAN-LINDSTROM CPA

The Profit & Loss Statement is a very critical tool to assess the financial success of a business. However, for small businesses the statements are usually set up to prepare a tax return. In many cases the expenses are in alphabetical order. Isn't that how QuickBooks has created it?

IT CAN BE MORE! Here's a few ideas...

FIRST: Create a one-page, high level, comparative profit and loss statement. Keep it simple – **Sales less Cost of Sales/Direct costs less Overhead equals Operating net income.** It is easier to read and can point out problem areas quickly.

SECOND: Design it to answer the following questions.

- Where is the income coming from? Break sales down so you can identify your sales mix. Certain sales deliver a better financial result.
- How much gross profit or margin is the business generating to cover overhead? Monitor the gross margin percentage. Compare it to industry standards or to the previous periods. Look for trends.
- What is the monthly overhead? There are expenses that are paid every month. It doesn't matter how much in sales or if there are sales. Expenses such as rent, utilities, technology costs, etc. Compare each month and see how they are changing.
- What is the Operating Net income? Consider removing depreciation, amortization and interest from normal expenses. These are management decisions and can swing the net income dramatically without telling management anything about how financially successful the operations are.

P.S. If you want to simplify your financials, give us call and set up a time. Mary can work with you to design one and one of our QuickBooks advisors can make the changes. Price range: \$500 to \$2,000.

THIRD: Group expenses by how you make decisions.

- Cost of good sold or Direct Costs. These are costs that can be traced directly to a sale. If you didn't have the sale, you most likely won't have the expense. How much are we getting to cover overhead?
- Staffing costs such as payroll taxes, health insurance, training and other benefits paid. Benefits usually account for 20% of wages. How does your business compare?
- Sales/ Marketing costs such as website, trade shows, leads, advertising, samples, etc. Review the expenses to evaluate the results you are receiving. Can you do better?
- Occupancy costs such as rent, real estate taxes, utilities, etc. When you are considering moving to a new location or going 100% remote this will tell management what the total costs are.
- General & Administrative costs which cover everything else. This includes tax preparation, insurance, telephone, office supplies, etc. It costs money to just operate a business. Be aware of your costs. Do we need these costs?

Take time to create a Profit & Loss that will provide the information you can use. From the one-page format, you can drill down to the specific details. You only need to drill down when you have a question. In my experience about 95% of the financial statements I review for small business owners are misleading or are not used in general. The more the financial statements are used and questioned, the more accurate and greater the tool becomes.

SMALL BUSINESS OWNERS

DO YOU WANT TO AVOID TAX SURPRISES, ESPECIALLY COSTLY ONES?

We live in a very complex business world. It is difficult for business owners to wear the many hats that are required, especially when it comes to taxes. Besides being another language, the rules keep changing and the government continues to ask for more.

Before the year is done and your options are limited schedule a Tax Planning Meeting. We will review your situation, estimate your tax liability, provide options to reduce your overall taxes and determine your cash needs.

Contact our office to schedule a time.

920-351-4842

- OR -

jodi@focus-cpa.com

September 2022 INSIDE THIS ISSUE

FOCUS | **CPA** Inc

117A Packerland Drive
Green Bay, WI 54303
Phone: (920) 351-4842
www.FOCUS-CPA.com



LOOKING FOR A CHIEF ORGANIZER / FRONT DESK ORGANIZER

We need a person who loves to help others and organize files and information. They will be the central hub of our business. It is fulltime, but you...



SIMPLIFY YOUR PROFIT & LOSS STATEMENT

The Profit & Loss Statement is a very critical tool to assess the financial success of a business. However, for small businesses the statements are...



THE BOOK REVIEW: THE ALCHEMIST

This is a story about Santiago, a simple shepherd, who searches for his personal legend. He starts in the Andalusian mountains and finds...



GO ALL OUT?

As another birthday has come and gone, I am struggling with writing the next chapter of my life. I feel as if my life is recalculating and I can't get...

This newsletter is intended for entertainment purposes only. Credit is given to the authors of various articles that are reprinted when the original author is known. Any omission of credit to an author is purely unintentional and should not be construed as plagiarism or literary theft. © 2022 Focus CPA Inc.



FALL FUN: TAKE TIME TO ENJOY

September is here and the feeling in the air is shifting. The nights are becoming cooler and the grass is covered with dew in the morning. This is the last hurrah before winter sneaks in. The first day of fall is officially September 22. Now is time to stop and enjoy the day!

HERE ARE SOME IDEAS FOR FALL FUN. HOW MANY HAVE YOU DONE?

-  Jump in a pile of leaves
-  Go apple picking
-  Read ghost stories by the fire
-  Take a fall foliage ride
-  Get lost in a corn maze
-  Eat candy corn
-  Bob for apples
-  Carve a pumpkin
-  Roast pumpkin seeds
-  Go to a tailgate party
-  Visit a pumpkin patch
-  Enjoy a great soup recipe
-  Go on a hay ride