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ENTREPRENEURS

Working from Home? Don't Miss These Home Office Musts

Whether you occasionally take work home from the office or run a small business out of your spare room, your home working environment is important and should be functional and inspiring.

First off, select a location that suits your needs and your working style. Do you work best amid buzz and activity, or do you prefer a quiet space? Will clients be stopping by? If so, privacy and ample seating are essential.

Colors can affect your mood, so give some thought to the surroundings. Some people feel energized in a bright, cheery environment. Others prefer to concentrate surrounded by cool, calming tones.

Give yourself a view and make sure your office has plenty of light. Natural light is best to reduce eyestrain and prevent headaches. Position the computer monitor to avoid glare from a window or overhead light fixture.

Organize both vertically and horizontally. Give yourself plenty of storage space, including shelves, drawers, and bins. Don't overlook uses for corners and nooks. Make sure your electronic equipment is close to outlets and easy to access. Invest in a good-quality, comfortable, ergonomically correct chair. If you'll be spending many hours here, the added expense is well warranted.

Add some greenery. It's been shown that plants reduce stress and increase productivity; plus, plants are an inexpensive way to add charm to a home office.

Lastly, don't leave out your office pet. If your furry friends like to hang out in the office, a comfy bed or basket for your dog or cat is well worth building into your design.

One of the most powerful networking practices is to provide immediate value to a new connection. This means the moment you identify a way to help someone, take action. Lewis Howes

TAX REFORM

UPDATE

Join us for an informative **Year-End Tax Planning** event. This is being held for all of our business and tax clients and their guests. We will discuss year-end strategies that can help you minimize taxes. Seating is limited please respond to Lisa by October 25th, 2018, at 610-265-4122 or email lisa@cpcfinancial.com to reserve your seat.

October 30th
6:30 PM
Crowne Plaza King of Prussia
 Light refreshments

PLANNING

Business Growth: Are Your Projections Realistic?

Entrepreneurs with unrealistic business growth projections are like sprinters in a marathon. They're in the wrong race, because their objective doesn't correspond with ability.

Don't make the same mistake. To avoid depleting all of your business oxygen, set reasonable goals that you can strategically achieve.

An especially common error in growth forecasts is a hockey stick pattern. This predicts rapid growth after initiating a marketing strategy, followed by a steady upward trajectory thereafter. But growth doesn't magically continue simply from momentum. Projecting a fixed percentage of rising revenue masks the actions and costs associated with expansion.

The foundation for a genuinely realistic growth projection is a focus on inputs. Inputs are what you actually control. Time, capital, and equipment are inputs that result in output. These elements dictate growth in the near future. Tie the sales forecast to assumptions about these available resources. Let the output – and its rate of growth – simply fall into place as your input plan unfolds.

Keep in mind, the rate of growth will not be constant. It will rise as your business scales and then reach a ceiling where revenue is capped. To break through this ceiling, you must continue to increase inputs.

Hiring more people, automating more tasks, and outsourcing administrative duties are common steps. Of course, these measures require money, which is generated by growth. Consequently, your projections should reflect periodic dips in cash flow to fund renewed expansion, allowing the healthy cycle of growth to continue.

Leverage LinkedIn to Expand Your Reach

LinkedIn is a thriving content platform that can give you plenty of organic visibility at no cost. Posting content on LinkedIn helps you grow your personal brand and connect with customers, potential employees, industry influencers, and others.

So why not capitalize on the free exposure?

Here are some tips to get people to pay attention to your postings and actually read your LinkedIn content.

LinkedIn gives more exposure to status updates, which have a limit of 1,300 characters (around 250 to 300 words), than to articles. Make sure that the first sentence of your status update is compelling. People scroll through their social media feeds quickly, and if your first sentence doesn't grab them and make them tap "See More," your posting is sunk.

Don't put links in your status updates, because LinkedIn doesn't want people leaving its platform. To share a link,

place it in the first comment of your post and let people know where they can find it.

Limit paragraphs to one or two sentences. Short paragraphs are more digestible and keep readers engaged.

For best results, use proven content formats such as lists, tips, case studies, and lessons learned. Even failure stories are useful to help readers connect with your content.

Encourage your network to ask you questions. Then be sure to reply to every comment on your post.

Replies don't need to be lengthy, but the more you engage with commenters, the more visibility your content will get in the news feeds of your network.

Also, make sure your comments on other people's posts show up in the news feeds of your connections.

Remember, the more "links" you can establish with your content, the better.

Networking, of course, is great, but the best way to network is to do work. Steve Zissis

Welcome New Clients and Thank you for Referring

We love giving recognition to our new friends and our wonderful existing clients who are kind enough to refer their friends and relatives to us! We are all helping each other, which is the whole point.

In the last month we were fortunate to welcome 9 new tax clients and 30 new business clients. They became members of our firm's accounting and financial planning family. We'd like to welcome them and thank all the people who have referred business to us.

As you may know, marketing for new clients costs a great deal of money, time and energy. We, like any business, need to get new clients to stay in business. Over the years, we have found that marketing takes away from the time we would rather be spending with you. We have learned that by encouraging you to refer your friends and relatives to us works for all of us. We help you, and you help us. Thank you.



GOSSIP!



Congratulations to staff accountant Dave Kagan who recently passed his CPA exam!

Way to go!!



Remember to let us know when you have a change in email, so we can change our records!



Save the date!
November 29th for Client Appreciation at Sullivan's.



Share the experience!

If you would like any of your friends, co-workers, relatives, business acquaintances, etc., to receive a FREE subscription to this newsletter, please fill out the reply form. If you enjoy this newsletter, why not share it with people you know, with no hassle for you!

Please add a FREE subscription to our newsletter for the following people. I understand you will send them a note explaining you suggested they get this FREE subscription, and that all they have to do is contact us if they wish to cancel or email Lisa with their address lisa@cpfinancial.com

Make Financial Spreadsheets More Meaningful

The explosive proliferation of spreadsheets has brought with it an unfortunate byproduct: complexity. This quality is not bad in and of itself. However, some financial analysis reports have increased in complexity to the point where they are indecipherable. In some cases, creators fail to incorporate appropriate information, rendering the report useless.

If developed and used properly, forecast spreadsheets can facilitate projections for in-house use and allow lenders or investors to better comprehend the future expectations of your business. With this in mind, use the following principles to craft your data.

Make assumptions. In other areas of life, you're told never to assume. When it comes to financial spreadsheets, however, assumptions are a good thing. In fact, spreadsheets are worthless without them. Your spreadsheet must have a listing of assumptions. These reflect how much you can deliver with the given level of personnel, equipment, and working capital. You must correlate projected revenue with the time, people, and tools available to complete the work, and with the cash on hand for marketing and sales.

Place your assumptions right in the spreadsheet. Use color-coding to distinguish assumption constants from formula financial results. Assumptions should appear in front of dollar figures – on top or to the left of the money numbers – for easy access and instant adjustments.

Crack your code. If you use any abbreviations, define them. If, for example, you operate a fleet of trucks delivering construction materials, make sure to convey the unit of measurement – like square yards or board feet. Or, if you sell items through a website, make it clear whether your measurement of daily active users reflects site visitors or purchasers.

Learn from the past. Sensible financial projections are bridged to past results. The initial month in a forecast should indicate where the business already stands. Projected outcomes then flow from this historical base.

Cover all the bases. For each period, a financial forecast summary should show the beginning cash, the addition of revenue collected, the subtraction of every expense category, and the ending cash. Don't forget to subtract the costs for new capital goods like machinery and equipment.

You must also remember to consider any lag time between selling and getting paid. Reduce incoming revenue by a reasonable percentage of sales that are not paid upon delivery; add that revenue to a future period in the forecast, when those customers will pay.

Tab it. Organize spreadsheet tabs in a logical order from left to right. For instance, the first tab is typically a summary sheet that tallies the results from subsequent sheets of projected revenue, variable expenses, fixed costs, and asset purchases.

Separating these elements on distinctive sheets is often necessary for comprehending detailed connections. You may also need to apply different sets of assumptions to various sheets.

Keep it neat. Cosmetic factors on spreadsheets matter. Make your spreadsheets readable with numbers that have commas and a consistent number of digits after the decimal point. Align all column headings over the numbers. And give your eyes a break: use at least 10-point font.

LINKS YOU CAN USE NOW

This Month – Negotiations

From sales to salaries to client contracts, negotiations have a huge impact on your revenue stream and your bottom line. What tactics will lead to success? Use the following links to learn what methods to bring to the table and which you should leave at the door.

Negotiating is a skill set that can be built. Discover how to develop it:
<https://tinyurl.com/negotiationsA>

There are certain things you should never say when negotiating a salary. Learn the top phrases to avoid:

<https://tinyurl.com/negotiationsC>

If negotiating doesn't come naturally to you, try these tips that top negotiators use: <https://tinyurl.com/negotiationsD>

Do you have the personality traits of a good negotiator? Find out here:
<https://tinyurl.com/negotiationsE>



Quick Quiz

Each month I'll give you a new question.

Just email me at Lisa@cpcfinancial.com or call 610-265-4122 for the answer.

This month's question:

What do sapphire, opal and topaz have in common?

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BUSINESS TOOLS

Is It Time to Upgrade Your Hardware?

Aging hardware imposes direct and indirect costs that can eat into cash flow and impede productivity at your small business.

Older computers are prone to crashes that can result in loss of critical data and leave you unable to serve customers or conduct business.

How can you tell if it's time to upgrade or replace your systems? Some indications include:

- Frequent crashes occur, or performance is slow.
- The equipment is dependent on outdated operating systems.
- The systems are no longer supported by the manufacturer.
- The systems are no longer under warranty.

- Replacement parts are unavailable.
- Repair and maintenance costs equal or exceed replacement cost.

Typically, desktops and laptops need to be replaced about every four years, depending on usage. However, before purchasing new devices or even an entirely new system, you might look into hardware upgrades that can extend the useful life of your current computer.

For example, increasing your computer's RAM (random access memory) will enable applications and windows to open faster. By upgrading to 4GB or even 8GB, you could notice significant performance improvement, especially if you run several programs

simultaneously or work on RAM-intensive projects like video editing.

Another fairly easy way to enhance a machine's performance is to install a new hard drive. A newer hard drive can add hundreds of gigabytes or even several terabytes of storage. Alternatively, you may be able to increase speed and performance by replacing your computer's central processing unit (CPU).

Of course, technology needs vary greatly, so there's no one-size-fits-all solution to small-business hardware needs. Nevertheless, trying to conduct business with technology hardware that has outlived its usefulness is frustrating and, ultimately, costly.

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