

1. Analyze Your Business
2. Did You Get Yours?
3. A Fax Is Just a Fax
4. Spam Elimination
5. Prison Escapees Have a Plan, Do You?



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Analyze Your Business — Client Fulfillment

By Peter Rogers

Senior Marketing Associate – E-Myth Worldwide

Once again, it's time to examine what is true about your business to get even better at prioritizing the areas that demand your attention. Here is a series of questions you can use as a starting point for identifying potential problem areas in your company's Client Fulfillment system. But what is Client Fulfillment? It consists of the product or service itself plus three major processes: Production, Delivery, and Customer Service. These combined processes put your product or service into the hands of satisfied customers.

Please remember that this is not intended to be a full analysis, but rather a tool you can use to focus your attention. It may be helpful to print this page, and actually write down your responses. Take one question at a time and really think about your answers. This is not a test. There are no right or wrong answers. There are only responses that reflect your truthful objectivity about the state of your business.

1. **What is your product or service, and what is the idea behind it?** How do you make it a reality; how do you produce it? Can you draw a flow chart (a "box and arrow diagram") of the steps in your Production/Delivery process?
2. **Do you consistently and predictably keep your promises to your customers?** Making mistakes is human and forgivable, but do you frequently make mistakes? How many customer complaints do you receive on a monthly basis? What is the average time it takes you to resolve those complaints? Do you experience a reoccurrence of the same kinds of complaints?
3. **In considering all positive and negative feedback from your customers, is there a common thread?** Can you identify new systems or modify existing systems that could enhance the positive and eliminate the negative?

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4. **Use the details you determined about your clients when you evaluated the characteristics of your typical customer using the Marketing Business Needs Analysis to re-evaluate your products or services.** Do your products or services do what you intend them to do in order to satisfy your customers' true needs? Are they designed that way, with your customers' needs and wants in mind?
5. **Have you used your own products or services?** Would you? Why or why not? Have you "shopped" your competition? What do they do better than you? What do you do better than them?
6. **When you physically deliver your product or service, what is the experience your customer has at the time of transfer?** Do they feel good about the value you're giving? How do you know?
7. **What services do you offer to your customer to enhance the value of your products and services that are not an inherent part of the product itself?** Information services, technical assistance, set-up, maintenance services, credit and financial services, help with complaints and adjustments?
8. **How do your customer services enhance your main offer?** Do your customers even know they exist? Are your customer service opportunities recurring situations that require constant handling, or are they rare and unique situations that rely on basic policies and philosophies for responding to them?
9. **Do you provide customer service training to your employees?** Is this training documented?
10. **How do you identify new customer service opportunities?**
11. **What are the standards you use to ensure that every product or service is consistent, time after time, and every time?** Are those standards subjective (depending on the experience and judgment of the employee operating the system) or objective (judged against a clear and specific set of standards, or random (no criteria for quality are imposed on the system)?
12. **What are your total system costs and per-unit costs?**
13. **How do you innovate ideas and systems in your business?** How do you install and test the innovated system?
14. **Identify the one thing you've always felt was "impossible" to do, but if you could do it, would completely transform your business in the eyes of your customers.** Write it down. What barriers exist to making it a reality?

Now go back and review your answers. Are you uncomfortable with any of the answers you gave? If so, then you've identified the primary areas of focus for your business development efforts.

If you aren't sure, then give your Business Performance Advantage consultant a call today. We can help! ■

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Did You Get Yours?

If you own a building and haven't performed what is known as a cost segregation study, chances are you are missing out on a way to accelerate depreciation and gain immediate tax savings. In simple terms, you could increase your cash flow.

Whether you've already constructed your new building or are about to expand on an existing one, there may be an opportunity for your property to generate much bigger tax savings than you realized. These savings are buried in construction costs, and a cost segregation professional can help you realize them.

The benefits of a cost segregation study include:

1. **Increased current cash flow** through accelerated tax depreciation of structure-related costs.
2. **Permanent net present value savings** on tax depreciation that may be significant.
3. **Independent third-party analysis** that will withstand Internal Revenue Service scrutiny.

What Projects Qualify?

Any structure used in a business activity is eligible for the benefits of cost segregation.

When and How Should a Study Be Done?

The optimal time to complete a study is for the year the building or improvements are placed in service. However, a study can be performed anytime after that. A simplified process introduced in 1999, allows us to easily go back and claim accelerated depreciation on assets acquired fifteen years ago or more. We can do this without amending prior years' tax returns.

What's Involved?

Cost segregation studies examine the various components of a commercial project to determine applicable depreciation rates. For example, real property is generally depreciated over 39 years (commercial) or 27.5 years (residential), but certain equipment, security systems, mechanical and electrical systems, plumbing, and other items may qualify for depreciation over 5 or 7 years as tangible personal property. Land improvements may be depreciated over a 15-year period. By segregating out each classification of cost, we can gain the tax benefit of the accelerated portion of the depreciation. This means you don't have to wait a full 39 years to realize your tax benefit!

The Process

- Examine all plans, cost records, contractor bid sheets, changes, company fixed asset ledgers, and tax records to identify which costs can be segregated into shorter depreciation classes.
- Use tax and engineering skills to analyze our findings and document these accordingly.
- Perform a physical inspection of the property to observe and identify those components that will qualify for rapid depreciation. Photos are taken to insert into the report making it a permanent record for future reference.

How Much Can You Save?

At least 5 cents (and up to 20 cents) for every dollar you spend on new construction or a purchased building can be recouped through a cost segregation study. The following cash benefit analysis gives you an idea of the cash benefits involved.

Cash Benefit Analysis for Cost Segregation Studies

PROPERTY	%OF BUILDING COST RECLASSIFIED (1)	\$CONSTRUCTION/ACQUISITION \$2 MILLION/\$10 MILLION			
		CASH	CBM(2)	CASH	CBM(2)
Department Store	5-15	50,000	25	250,000	80
Office Building	8-12	50,000	20	250,000	50
Retail	25-35	140,000	25	700,000	90
Distribution	10-15	60,000	24	300,000	75
Data Center	25-30	135,000	23	675,000	84

(1) This column shows the reclassification of costs originally buried in a 39 year building life to 15 year site improvement and 5 or 7 year personal property. For apartments, building shell depreciable life is 27.5 years, while site improvement is 15 and personal property is 5. result is a significant cash benefit from accelerated tax depreciation. This cash often equates to \$.20 (20%) per dollar reclassified, or more. That amount is a cash return (after tax net present value). (2) CBM- Cash Benefit Multiple is the multiple comparing the average after tax present value (cash equivalent) to one-half of the average expected fee (cash outlay).

Complimentary Analysis/Offer

We enjoy working with business owners and helping them achieve their business goals. We will analyze your property on a complimentary basis to ensure you would derive real tax benefits from a cost segregation study. Give us a call today to discuss your unique scenario. ■

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Health Care Practice: A Fax is Just a Fax Until It Contains Protected Information

Kathy Ellis received numerous personal medical records and prescriptions over her fax machine. Was Kathy Ellis a doctor? No. A Pharmacist? No. She is simply an individual who, upon checking her home fax machine, came across medical records that contained highly sensitive data including: a female patient's name, social security number, birthday, prescription drug and personal medical and family histories. After notifying the doctor's office of the fax number error, she continued to receive faxes – until she reported the incidents to her Senator. Could this happen in your health care practice?

For a while, no one was sure if faxes were covered under the proposed privacy regulation. Now, a final ruling makes it clear. Faxes are covered just like every other form of communication containing protected information. Once they know protected information is involved, doctors and their staff must do everything possible to protect it.

Faxing has confidentiality risks you should be aware of. The most obvious of these is that information unintentionally can be sent to the wrong phone number. Outdated programmed phone numbers, incorrectly typed fax numbers and erroneously entered fax numbers are all ways that medical records can arrive at another location.

Protecting information goes beyond your fax machine, too. If medical information is faxed to an unsecured machine, people who are not authorized to see the information may have access to it. Staff should get in the practice of phoning ahead to notify the recipient that s(he) is about to receive a fax. Consider putting your office fax machine in an area where only those authorized to see medical information can access it.

The following 20 steps may be adapted for use as part of your practice's policies and procedures related to the transmission of personal health information by fax:

1. **Designated Fax** – Securing a designated fax machine for transmitting and receiving faxes containing protected information shows you have implemented enhanced procedures for handling personal health information. This also can alleviate clerical errors.

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2. **Restrict Access** – As mentioned earlier, locating a fax machine in an area with either restricted access or lower-traffic may limit unauthorized access to personal records.
3. **Limit Faxing** – Consider implementing the practice of faxing only in urgent or non-routine incidences when mail or other delivery is not feasible.
4. **Secure Authorization** – Ensure you've received proper authorization, as required by law, to transmit or receive medical information via fax.
5. **Be Selective** – If possible, prohibit faxing sensitive health information regarding: mental health, chemical dependency, sexually transmitted diseases, HIV or any other highly personal information.
6. **Schedule Faxes** – When sending a fax, call the recipient to notify him/her so s(he) can personally retrieve it. If you are expecting a fax containing personal health information, ask the sender to call you so you may promptly retrieve the fax upon arrival.
7. **Quickly Process Incoming Faxes** – In situations where a high volume of faxes containing personal health information are received, designate employees authorized to handle personal health information to empty fax trays and disseminate their contents to the appropriate parties. Specify set intervals for this activity to take place (e.g., every 15 or 30 minutes).
8. **Secure Documents** – As with other personal health information that arrives in the mail or by others means, ensure faxes containing personal health information are placed in a secure/confidential place when they are delivered, and not (for example) left in an in-box that is in full view of passersby.
9. **Verify Phone Numbers** – Confirm the accuracy of fax numbers (and security of recipient machines) by calling the intended recipients to double-check phone numbers and verify the security of fax machines. Notify the receiving office that the fax is on the way, and request verification of its receipt. Do not rely on fax numbers listed in directories and provided by persons other than the recipient.
10. **Establish Procedures** – In instances where faxes are regularly sent to the same recipients, program these fax numbers into your machine's speed-dial memory. Institute a set procedure whereby programmed numbers are tested at regular intervals (e.g., weekly or monthly).
11. **Confirm Fax Transmittals** – Make sure your fax machine prints a confirmation for each outgoing transmission and require machine operators to (a) make sure the intended destination matches the number on the confirmation, and (b) staple the confirmation to the document that was faxed.
12. **Take Appropriate Action** – Ensure improperly faxed documents are either immediately returned or destroyed by the recipient. Document that the fax was misrouted, and take (as well as document) steps to prevent reoccurring errors.
13. **Develop a System** – Develop a well-organized system to maintain (for specified periods of time) personal health information that is faxed. Document the time and date of the transmittal or re-transmittal, the intended recipient, its contents, and the fax number at which it was confirmed to have been received.

- 14. Require Secured Fax Machines** – Include in your business associate agreements or two-way covered entity agreements provisions requiring organizations that will receive your faxes to place their fax machines in secured areas.
- 15. Secure and Shred** – Ensure all documents containing personal health information are handled and stored in a secure manner, and shredded when they have outlived their usefulness.
- 16. Train and Retrain** – For new employees, provide immediate training of your organization's policies and procedures for using the fax machine to transmit and receive personal health information, and periodically retrain existing employees.
- 17. Develop a Confidential Fax Coversheet** – A confidential fax coversheet may provide extra protection for personal health information while demonstrating your due diligence in this area. The headline of the coversheet should state in large, bold type, "Confidential Health Information Enclosed." Beneath this headline, include a statement such as: Health care information is personal and sensitive information related to an individual's health care. It is being faxed to you after appropriate authorization from the patient or under circumstances that don't require patient authorization. You, the recipient, are obligated to handle and maintain it in a safe, secure and confidential manner. Re-disclosure without additional patient consent or as permitted by law is prohibited. Unauthorized re-disclosure or failure to maintain confidentiality could subject you to penalties described in federal and state law.
- 18. Provide a Warning** – At the bottom of the fax coversheet, include a warning such as: **IMPORTANT WARNING:** This message is intended for use by the person or entity to whom it is addressed and may contain information that is privileged and confidential, the disclosure of which is governed by applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this information is **STRICTLY PROHIBITED**. If you have received this message in error, please notify us immediately and destroy the related message.
- 19. Include Coversheet Basics** – In addition to the warnings described in numbers 17 and 18 above, make sure the fax coversheet contains standard information including:
 - Date and time of the fax;
 - Sender's name, address, telephone number and fax number;
 - The authorized recipient's name, telephone and fax number;
 - Number of pages transmitted; and
 - Information regarding verification of receipt of the fax.
- 20. Document, Document, Document** – Putting all of the above practices in place works as evidence of your efforts to safeguard protected health information.

As with any compliance issue, documenting the steps you've taken to abide by federal guidelines is paramount. These steps are provided to assist you in developing your practice's procedures that one day may serve as evidence of your due diligence. If you have any questions regarding any of these steps, please give us a call. ■

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Spam Elimination

Spam is so despised that laws have been passed against the practice while individuals and companies have sued spammers for millions of dollars. As a result, an entire industry has grown out of the desire to rid the world of spam. The question for most companies is, "Which spam software do we use?"

- ePrism
- Spam Blocker
- Qurb
- Spam Arrest
- ThreatWall
- AntiSpam
- Spam Killer
- I Hate Spam

The names themselves reveal the intensity of emotion spam evokes in people. Choosing the correct spam blocker depends on various issues, including the type of e-mail software you use as well as the type of hardware you have. The Business Performance Advantage offers you a review of three top packages that are different in many ways.

Qurb

From the moment you finish installing Qurb, 100% of spam will be blocked from your Outlook or Outlook Express inbox. The Qurb Spam Blocker works like CallerID for e-mail. During installation, Qurb scans your contacts folder and your e-mail folders to create a list of approved senders with whom you communicate.

As you work with your e-mail, the Qurb spam blocker automatically updates this list continuously. E-mail from people you know is delivered directly to your inbox; all other e-mail is quarantined, awaiting further review or automatic deletion. Some benefits of Qurb include:

- No training or learning process required
- No spam in your Inbox ever again
- Easy to use and understand
- Approved senders are automatically created and updated as you work with your e-mail
- Modifications to the list of approved senders can be performed manually at any time
- Mailing lists and entire companies can be added to your approved sender list
- Prevents spammers from reaching your Inbox by fraudulently pretending to be someone on your list of approved senders



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Spam Killer

McAfee Spam Killer quickly and easily helps you stop spam from polluting your inbox with advanced rule-based and list-based filtering. Spam Killer blocks specific addresses of known spammers, just as other programs do, but Spam Killer goes far beyond lists. Its comprehensive preset filters also watch for subject lines and text within messages. In fact, Spam Killer can filter on the sender's address, subject line, body text, message header and can even block spam based on its country of origin.

Spam Killer comes with thousands of filters already installed and new filters are released regularly based on careful analysis of McAfee's spamtraps. Spam Killer checks McAfee servers once a day for new filters – so your protection is always up-to-date. The software also allows you to participate in your own security by giving you the option to report spam directly to McAfee. Anti-spam experts analyze all reported spam with automated and human analysis and develop new filters to help protect the entire Spam Killer community.

If you're new to spam fighting, you'll love Spam Killer's filter wizard, which lets you create new filters based on spam messages that you've received. Simply choose the part of the message that you want to filter on, and Spam Killer does the rest.

Spam Killer supports MSN/Hotmail, POP3 and MAPI e-mail accounts. By directly supporting multiple client-based e-mail applications (Outlook Express, Eudora, Netscape etc.) and Web-based e-mail clients (MSN/Hotmail), Spam Killer enables you to benefit from its advanced filtering without forcing you to change how you access and read your e-mail.

One great feature of Spam Killer is that spam e-mail is automatically deposited into Spam Killer's Killed Mail folder so that your inbox remains uncluttered and free of spam. Spam e-mail is held in quarantine and erased automatically after 30 days. If for some reason a legitimate e-mail is flagged as spam, you can easily recover in one quick step. To make things even easier, Spam Killer can automatically import your friend's e-mail addresses into its friends list, ensuring that their messages aren't mistaken for spam. You may also add new friends, newsletters or complete domains to the friends list at any time.

Spam Arrest

With Spam Arrest, you can continue to use your current e-mail program (such as Outlook, Outlook Express, or Eudora) or use Spam Arrest's web mail system to access your e-mail from anywhere. Unlike other anti-spam solutions, the Spam Arrest spam control software quickly and easily blocks spam before it ever gets to your inbox — no matter how the spam is disguised or where it comes from.

Once purchased, the Spam Arrest spam stopper will start blocking spam right away. When someone sends you an e-mail, the software checks to see if they are authorized to send you e-mail. If so, the e-mail goes right through to you. If not, Spam Arrest holds that e-mail and replies with a verification request. This request states who you are and that you are protecting yourself from junk e-mail. It asks the sender to click on a link to Spam Arrest where they enter a word into a form, and then they are verified and their e-mail goes right through to your inbox. They only need to verify once. You may also authorize (verify) whomever you wish on the site, or block people.

Estimates say that each of us will waste more than 25 hours deleting e-mail, compared to 2.2 hours in 2000. That costs the average business in the future \$665 per inbox, compared to \$55 in 2000. With overall e-mail use increasing significantly, the ability to block unwanted spam is becoming more critical every day. By using one of these spam blockers, companies like yours can say goodbye to the endless stream of junk, illegal, and pornographic e-mails that clutter inboxes everywhere. ■

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Prison Escapees Have a Plan, Do You?

By Tina Ferguson

Not too long ago, I started working with a wonderful client. This particular client wanted me to help them find new business, as in they wanted me to get new business for them. The client was comprised of extremely intelligent people, and I immediately liked them as professionals. After deciding to work together, we set expectations, and started to market their company and look for new business.

Except there was one thing missing. A plan.

I, as a seasoned marketer, know that a plan is worth its weight in gold. Even if it sits on the shelf and the company never looks at it again, it is valuable because it brings a company's executives and professionals together on one page so that all involved can get in the same book, writing the same chapter of history for the company. Akin to an orchestra trying to play a symphony with different sheet music, a well-developed plan can make beautiful music for a company, indeed!

And, we went forward. Against my wishes, I might add. I protested. I begged and pleaded to put the plan first. But, we were focused on "getting business" and there was no time for "writing a plan." We decided together that we would work in-tandem to write the plan and develop business. Both would take priority.

After five months, working part-time, the plan was complete and, an amazing thing began to happen. The focus of the plan drew the people together. With this focus, the people began to gain momentum, and with this, business started attracting to the company. It was amazing to watch it. Three days after finalizing the plan, a big invitation to present hit. Then another invitation came, and then another.

But I've seen this all before. It's nothing new. It's what follows focus. You attract what you focus on. Most companies focus on nothing, and thus they attract nothing. Or they focus on so many things that they attract little of what they want. But, when a company has a narrow, defined focus, the results are often quickly revealed.

In the years that I've been working with companies, I've discovered there are several reasons why companies are resistant to planning. They include:

- **Indecision** – This leader simply isn't sure what to do next. Fear grips this person and rather than make a mistake, they make no decision at all. Fear of the known is much better than the fear of the unknown. This leader says, "Hey, what if I mess things up?"
- **Control** – This leader can't give up control. He or she wants to make every decision from what kind of pencil to order to what kind of marketing campaign to roll out. The problem is that leaders can't do everything. This leader bottle necks the planning process until the year runs out and there's no time to plan. This leader says, "I'll get to it next year."
- **Hold Up** – This leader is the academic who excels in his field, but who probably doesn't know anything about marketing. He or she is worried that he or she is making the wrong decision and wants to "read up" on the subject before approving anything. Again, this leader bottle necks the planning process from a fear perspective. This leader says, "I need to get back to you on that."
- **Ruling by Committee** – This leader is the person who wants to do everything by committee. No one is in charge, but he or she is supportive of the group's decisions. The problem with this is that no one is in charge and no one is championing the planning effort. This leader says, "I support the committee's decisions."
- **Do It My Way** – This leader is the person who has been out in the trenches making it happen. He or she has a pretty good idea of how to make marketing happen and knows it won't happen in a vacuum. He or she establishes accountability in a marketing person and supports that person within the company. But, he or she thinks things need to happen his or her way. There's no room for individual change. This leader says, "I'm in this with you and I support you as long as you do it my way."
- **Complacency** – This is the enemy called average. Things are going well. Maybe things are going a little too well. This leader doesn't think he or she needs a plan because everything is going fine. After all, what could a plan do? Attract more of what we already have, perhaps? This leader says, "We've never had a plan before and things are great, why do we need one now?"
- **Scarcity** – When scarcity is at the helm, fear is in the driver's seat in a big way. All focus is on lack and how to just get business in the door. With this leader, there's no time for planning or anything outside of actual sales. This leader says, "Plans are nice, but we need business right now. We can plan later."

Knowing what type of leader you are can help you move toward embracing a better mindset so you can reap the rewards of focus. If fear or some of these other issues hold you back, acknowledge them and move forward toward what you really want for your company. By focusing on your goals, you can attract exactly what you want in fastest way possible! Give us a call so we can help you put this into motion for the rest of 2005. ■