

1. Compensation and Benefits Package
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Is Your Competitor Offering a Better Salary and Total Benefits Package?

The name of the employee game is retention. Every employer in any business wants to find the best employees, hire them, and retain these Top Guns indefinitely. Same goes for the supremely talented professional who knows his or her skills and experience are top level and in high demand, and who is looking to join a company and stay there long term: both parties seek security – the employer in choosing a loyal and dedicated team player; the job seeker in accepting the best deal presented in the most ideal environment available.

In late 2004, a compelling and revealing study of the current workforce was conducted by the American Business Collaboration (ABC) and the Families and Work Institute (FWI). This study compared the professional and personal attitudes of today's younger Gen-Y and Gen-X workers to the previous generation of Baby Boomers. The central point of the study stated, "There has been a great deal of speculation about generational and gender differences in the workforce," bringing to light that workers in the current job market are willing to make more compromises and trade-offs professionally so they have more time to devote to family life and personal goals. In short, it isn't that 20-somethings and 30-somethings in the current workforce want to work less and are less motivated career-wise; they have simply decided that the sacrifice of a personal life in order to climb the corporate ladder of success is not in their game plan. On the other hand, Boomers in years past have sacrificed a personal life, working extensive hours and missing out on family activities to get ahead. This way of thinking about a career in today's workforce has shifted considerably, as this informative study details (<http://www.familiesandwork.org/index.html>). It acknowledges that Boomer and Gen-X workers are the mainstay of today's workforce, and each group's benefits and perks needs is a major consideration to be addressed by employers everywhere now and into the foreseeable future.

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Ellen Galinsky, president of FWI, had this comment after seeing the results of the study: "What we found was striking – specifically because it uncovers a marked shift in the attitudes of both women and men who are redefining their priorities in life and in work." This study lends credence to the issue all employers face in today's job markets: aligning salary, benefits and a culture geared for top employee retention.

The easiest way to satisfy both employer and employee? As an employer, make it your priority to offer an outstanding, highly competitive salary that is clearly in line with the current market salary for similar positions, while also complementing this at- or above-market salary offering with a generous benefits package that offers multiple options and add-on perks. And don't forget about creating a corporate structure and culture that aligns with your ideal employee. For Gen-X and Gen-Y, offering a flexible schedule and a path to thrive professionally as well as personally could tip the scale in your favor.

Employee retention avoids high recruiting and retraining costs, which cut into profit margins and sap cash flow over time. The latest statistics show that the cost to replace an employee is five times the professional's salary.

So, that \$40,000 employee could cost a whopping \$200,000 in lost productivity, company intellectual capital, staffing fees, and training costs. Use this example and imagine several turnovers at this or a similar salary for a company, and the turnover cost is staggering and very bad for your business.

The key is retention. What kind of "better-than-the-other-guys" salary and benefits package could you offer that is guaranteed to ensure strong retention?

Competitive salaries. Start with a compensation package that not only includes an at- or above-market dollar amount; include a bonus program, stock options, profit sharing, and a better-than-average retirement package. Not sure your offer is current with other firms' offers? The Web has great sites to peruse for current market salary and benefits options information: www.payscale.com, www.vault.com, or www.yellowclouds.com/benefits.

Full coverage benefits package. Many employers offer a standard benefits package including medical and dental insurance coverage, life insurance, vacation and paid holidays, and some include various optional benefits such as Short Term and/or Long Term Disability. Consider offering more:

- Medical insurance coverage with choices: either a PPO or an HMO. Offer varied tiers of co-pay amounts for either option based on an employee's needs (single or with a family). Work your budget to provide a reasonable employee insurance coverage payment portion, and offer employees the option to have this auto-deducted from their paychecks pre-tax.
- Initiate a new employee's medical coverage just 30 days after hire, or, if possible, the day of hire. Insurance is one of the primary reasons most people go to work for an employer, other than a great salary. Employers who have long waiting periods of 60 to more than 90 days after hire risk losing a top candidate – your company can stand out among the other employers in providing medical insurance coverage immediately or a mere 30 days after that superstar comes on board.

Disability insurance. It's something none of us wants to think about, much less wants to think we may need. It's that innocuous 'perk' that is kind of like a secret; however, if an employer offers this as an option to the medical benefits package, most well-informed job seekers appreciate this benefit.

Retirement packages. Very few companies offer a company-paid traditional pension plan, but instead have been offering a 401(k) plan that usually includes an employer matching contribution. The key is to offer choices: Provide wider investment options, include multiple 401(k) plan providers if possible, contribute higher employer matching fund amounts, initiate a shorter vesting period, and have available investment counselors who can assist your team in making excellent investment choices for their retirement. Beginning in 2006, employers have the opportunity to offer employees both a 401(k) and a Roth 401(k) retirement plan. The Roth 401(k) is almost identical to the 401(k) plan, and an employee will be eligible to join both programs. The key to a better benefits package than everyone else is offering is choice – have as many choices as possible within your company's budget, and feasibility – this will get that prized top performer in the door.

For publicly held companies, throw in ESOPS (Employee Stock Ownership Plans). Although there already may be a 401(k) plan in place, a publicly held company that also offers an ESOP to its employees is that much more competitive. Same theory goes for a privately held corporation offering its employees profit sharing: the employer is willing to share the pot with everyone, exhibiting the attitude that everyone is in this venture together.

Perks. These are nebulous little critters, yet for those employers that go to this level of full benefits package offerings, they could be the icing on the already tasty cake.

- Tuition reimbursement
- Dependent care for working parents
- Flex work schedules and telecommuting options
- Health club access or exercise time
- Employee assistance programs (counseling, legal advice, financial planning)
- Parking reimbursement, commuting reimbursement, or covered paid parking

The employer that sees the forest through the trees will know that retention is the most important factor in building a great employee base and growing its business with these loyal, dedicated team players. These suggestions about a superior compensation and benefits package give you leverage to make an informed decision and stay ahead of the pack in gaining top professionals for your team.

Need some help with designing a strategic employee compensation package or creating a pay-for-performance plan? Give us a call today. We can help! ■

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A Semi-Annual Checkup for Continuing Business Success

Business is humming along ... last year's tax records are done and put to bed; business operations are firmly in hand, your staff is a great team of hard workers, and your product is marketing quite nicely in its niche. So, why do you occasionally toss and turn at night and wonder what it is you could be doing to maintain a strong hold on your successful business and its continued growth?

Give your business a semi-annual checkup. Think of this as "preventative maintenance," much like changing your car's oil every 3000 miles to keep things running smoothly and efficiently. Issues to check on in any size business at regular, scheduled intervals could be:

- Asset protection
- Financial sheets
- Employee management and compensation / benefits packages
- Product marketing and additions
- Preparation for year end tax returns

Asset protection. You've got detailed and accurate records on all of your real property, buildings, and depreciable assets within the structures or on the property for your business. Do you perhaps lease some or all of your business-related equipment? Think about doing a twice-a-year thorough review of these leases to make sure they are current, or if coming up for renewal, can you get a better deal elsewhere or upgrade by negotiating with the current vendor? Either locking in a sure-fire low dollar equipment lease or going to a new, more competitive lease agreement with more technologically advanced equipment can keep your operating costs down and increase your business cash flow.

Financial sheets. Take the time at regular intervals to closely review your financial sheets. Perhaps you have too much spending in office supplies because it isn't centralized to one person handling the process and keeping a good rein on the office supplies budget. Are you noticing that expense accounts are edging outside the line of acceptable reimbursable limits? Are some expense reports taking too long to be presented for reimbursement? Thoroughly review this in-house operating expense category perhaps once every six months and you might just pinpoint some key areas to improve expense account overspending or late expense reimbursements that could be throwing off your operating budget.

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Employee management and compensation/benefits packages. Without top notch, dedicated employees, it is difficult, if not nearly impossible, to run and grow a successful business. It is far wiser and more cost-effective to find outstanding people from the get-go, pay them a great salary, and give them fantastic benefits instead of being on a treadmill of constant employee turnover, training, and benefits recalculating and maneuvering due to fluctuating cash flow issues surrounding a never-ending cycle of staff changes and shortages.

Evaluate your current staff at least twice a year. Really be honest in your observations about what person is in what position. Are they more than aptly suited to the role skill-wise and personality-wise? How long has each person been in his or her position within your organization? Are they at their apex in this role yet, or do they still have room to grow and learn before they are ready for the next step within your infrastructure? Are they happy and passionate workers? Every person who goes to work – be it for themselves or for another – strives to “live to work” rather than having to “work to live.” As an employer, are you helping your staff fully achieve the former instead of conforming to the latter?

Product marketing and additions. This is the bread and butter of your business. You may be reviewing this at a surface level throughout the year, yet doing a deep-level review semi-annually can highlight where you truly are in the current market, and where you could see an opportunity to jump ahead of the crowd by adding a new product to your present line right now or within the next six months. Which product is selling more than your other offerings? Why? Which product is lagging behind? Why? What would happen if you tweaked your offering line-up by discarding the dud item and either upping the marketing campaign on the hot-selling consistent item, or complementing the hot seller with a newer version of the aforementioned “dud?” Sure, this requires some concentrated research and vigilance on your part, yet it will benefit you in the end by increased market share and consistent business growth.

Preparation for year-end tax returns. It happens every year without fail. Typically, business and personal tax returns are left to the last possible minute. Try a different idea: do your returns early. Or, at least, begin reviewing the documents for filing early. Do a semi-annual checkup of your business assets, its mid-year profit actuals, its projected year-end profit expectations, and what possible capital expenses or staff additions/reductions might be coming down the pike. Looking at all of these aspects of your business operations with a keen eye twice yearly can give you many advantages in keeping your costs to a minimum at the back end of the current year, and it can give you an early look at your window of opportunity for maximizing your coming year opportunities for minimizing taxes. Give us a call. We can help you fine-tune areas you’ve identified during your semi-annual checkup, or call us to help you initiate your semi-annual checkup. ■

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All Web Sites are Not Created Equal

*Kasey Pirbhai, CTO
Allyson-Kas, Inc.*

Search Engine Optimization (SEO) is big business these days. SEO is the science/art of tweaking websites to achieve the highest ranking (closest to the top of the pile) in search engines. Companies spend thousands of dollars creating and re-creating their websites, then thousands more optimizing them. Use the tips below to get it right the first time.

Keywords

Simply shoving a keywords list into meta tags doesn't work. The spiders (programs that search the internet and catalog pages) get smarter every month. Spiders actually read the content on the page. If the keywords are nowhere to be found within the page content, meta tags will help you very little, if at all. The goal is to write content packed with the keywords your visitors will use to search for products and services of the type you are offering.

Choose your words carefully. Many tools exist to help you decide which keywords will attract the most targeted traffic to your site. These programs tell you how many other sites are using a particular word or phrase versus how many searches are performed daily for those keywords. Choose keywords with a higher "daily searched for" value but a lower number of sites competing with yours for the phrase.

Site Design

Design may not seem important to search engine ranking, but it is. Spiders read all of the code making up a page, not just the content. If a page has more HTML code than content, the keywords you spent so much time putting into your text will lose much of their value. Ouch.

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Here are a few ways to optimize site design:

- Use CSS instead of tables for design.
- Keep JavaScript code out of the page and in external files.
- Use external style sheets to style all elements of the page. Do not use FONT tags within the body of the document.
- Load images from the style sheet. This will allow you to use relevant text on the page itself that can then be replaced by an image, such as your logo.
- Use the H1, H2, H3, etc. tags as they were intended. Those tags were never meant to be used simply to make some text bigger. They denote importance.

Pages should be easy to read without the style sheet. This practice will not only assist in future updates of the site, but is also a good benchmark for determining that a page will be friendly to spiders.

Home Page

The site's home page should be a snapshot of who your company is, so new visitors will know they have come to the right place ... or not. It should include small blurbs linking to content on other pages of the site. Also include information about your company's top two or three products or services, and links to pages with detailed information about these services. Spiders weigh the home page heavily when deciding how to categorize a site. Make sure the page's content and title contain a heavy dose of the keywords you've chosen.

Links

Incoming links from pages (not just sites) with complementary content boost site ranking considerably. Do not participate in "link farms" where a hundred or more sites are listed on a single page. Link farms will only hurt your site ranking.

The quality of the link does matter. Links from pages with content relevant to yours and where your link is one of no more than three or four are quality links.

Pay-Per-Click (PPC)

Paying for ads is expensive. Companies spend BILLIONS of dollars per year on PPC and banner advertising. If you decide to market your site in this way, choose carefully and be aware of the downfalls:

- PPC ads may be targeted by competitors or marketers to either drive up your cost or create revenue for themselves.
- There is no long-term advantage with PPC advertising. Once you stop paying for the ads, the traffic goes away.
- Make sure the copy written for those little PPC ads attracts attention, but only the right attention. "Win \$1 Million" may get people to click on the ad, but you are then paying to attract people who have little or no interest in your product or service.

PPC advertising can be a wonderful tool but it doesn't replace creating a great website and a solid web marketing and promotions strategy.

When you hire a company to create your website, discuss all of the items above. If they aren't willing to work within your guidelines, find someone who will. ■

advantage

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What Makes a Good Business Plan?

Common thinking proposes that to attract investors and communicate your plans to either begin or grow your business, a business owner must have a "good" business plan. What exactly is a good business plan? Different business professionals want to see different information. How do you convey your particular message about your unique "good" business plan to your intended audience?

Writing a viable business plan is definitely a core part of starting or owning a business. If you want to attract investors and other entities that will be willing to give you money to start or improve your business, it is an excellent strategy to begin with a good business plan.

This plan should, first and foremost, clearly address your primary aim for starting the business. This key ingredient is commonly known as "a sound business concept." It states your strategic objectives for accomplishing your business goals. As importantly, it is absolutely imperative – repeat, imperative – that your business plan convey the passion you have for your company and your business idea, and be written in an easy-to-understand format. A business plan communicating passion? Yes, a business plan should, among its other goals and objectives, also show your passion for wanting to start and grow this new business in the first place! Any investor – from a lending institution to an individual – that is thinking about lending you any substantial amount of money wants to have absolute confidence in you and your new business idea. Your passion and conveyance of such in your business plan will help to infuse this feeling.

Perhaps passion and writing in an easy-to-understand format aren't what you normally think of as a "good" business plan. Remember your dream to own your business; put this focus into embracing these suggestions along with those tried and true conventional formulas, and you're on your way to your unique, passionate "good" business plan!

So, what are the basics for a good business plan? Read on. The following offer an easy outline.



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Sound business concept. This spotlights the opportunity and why it is a great idea to act now to capture this new business venture.

Vision statement. This is a succinct explanation of the purpose of your business and your immediate business goals.

The business profile. This is a descriptive narrative of your planned business operations and should outline precisely how you intend to run your business. Be specific about the market your business will serve.

Your team. Tell your story – how your past experience in business and in life uniquely qualifies you to start this particular business and make it a success for you. If there are areas that you know you aren't as qualified for as someone else is, i.e., perhaps you are not well versed in human resources or public relations. Then include the story of the people on your team who are qualified – show how they add value and complement your efforts in getting your business off to a running success.

Economic assessment. Detail the specifics of how your business will integrate into your targeted market. Why will your brand of products and/or services offered be a success in its demographic and economic environment? How will your business complement other businesses already established in the same area?

Cash flow and financial management. The nitty-gritty topics. Detail down to the penny, if possible, a one-year business operating plan that includes:

- capital requirements
- payroll projections
- expected receivables and payables
- possible emergency expenses
- industry-specific and other expenses

Explain your contingency plan should an unexpected business expense crop up that might derail cash flow projections. Include revenue projections for the same time period. Be sure to be conservative as you make your sales and profitability forecast.

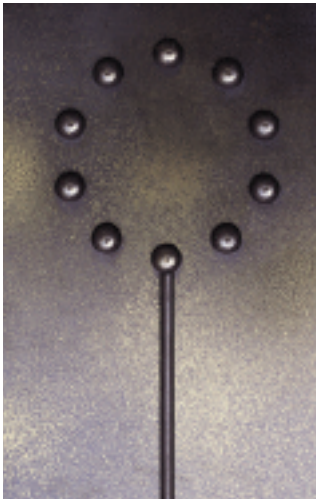
Marketing strategy. How will you market your products and eventually expand from one targeted market to another? The marketing strategy includes tactical items as well, including promotion, PR, and targeted marketing to specific client groups or areas demographically.

Using these components in your business plan will net you a huge advantage when you present yourself, your idea, and your business plan to peers in your market, and to your potential lenders or bankers. Keep in mind that "good" business plans help you stay on track with your company objectives from year to year. Give us a call for help with any section of this business plan outline, or to discuss how we can help you create a viable business plan for your company. ■

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Innovation

Breaking Free of Stereotypes, Misinformation, and Your Fixation on the Past

Michael Gerber, Entrepreneur and Author, e-myth.com

If I've heard it once, I've heard it 10,000 times — "I can't get my people to innovate, to create, to think outside of the box."

And in case you thought I was going to disagree with you, I'm not. You're right. You can't get your people to innovate, to create, to think outside of the box. So don't try. Because it will only lead to the same frustration, over and over again.

In fact, it is that very frustration, that blocked up feeling you get when you try to get your people to innovate...the way you're accustomed to doing it...which is where the opportunity lies. The opportunity for you, not your people, to break out of the box. The box you've built for yourself. The box of your expectations, your beliefs, your deeply ingrained behavior when it comes to innovation.

In short, to break through your frustrations around innovation, you first need to learn how to become an innovative leader.

The lack of innovation in your company — if indeed that's your problem — says more about you than it does about your people. It shows that you need to learn how to do what you want your people to do, to break free of misinformation, of stereotypes, of being fixated on the past.

Here's a simple process to help you jump-start innovation.

#1: Identify a Recurring, Operational Frustration in Your Company. And these kinds of frustrations are easy to identify.

- Not enough Cold Calls being made.
- Conversion rates from sales calls are consistently unsatisfactory.
- People resent being asked to put in extra time.
- Finding the 'right kind' of people is increasingly difficult.
- Not enough customers.
- Cash flow is poor.

And once you pick one, and only one, then go to step two.

#2: Secure a commitment from some of your people to eliminate that frustration forever. That's right. Some of your people, not all of your people. All of your people will never be able to marshal their forces to pull something like this off. No, it's some of your people you're looking for. You're putting together a team. Talk to one, talk to two. Begin the conversation about this thing that's driving you crazy. See if they're interested. If not, if they look bored, go to another person, and then another and another until you feel like you've got the requisite interest to get rid of this frustration forever. And then, know this: none of you know how you're going to eliminate it. How is not important yet.

What's important at this step is that you're all committed to. No matter what. Because, when you eliminate this frustration, something specific is going to happen, something that's very, very important to all of you. Which is of course, step number three...

#3: Come to Agreement about the Outcome. If there's no big-bang outcome, no passion generated to energize you and your team to make what you have decided to happen, happen, and it simply won't happen. Because energy is what innovation is all about. Innovation takes energy. Lots of it. Energy is the primary current which drives passion. Passion is the energized intention that moves your initiative to its conclusion. That sees you and your people through to the result. And there needs to be a result. There needs to be something you will know happened because you can touch it, feel it, count it, see it, recognize it, know that it indeed has happened. It's got to be concrete. And it's got to be exciting. And there's got to be something else. A celebration. Which is step number four...

#4: Decide on a Celebration. I don't know why, I really don't, but people love to celebrate things. There are parties going on at E-Myth all the time! Birthdays, anniversaries, people leaving, people coming on board, teary farewells, joyous reunions. It drives me nuts. But our people love them. So make sure you decide on a celebration; a rollout party to commemorate your commitment to the outcome. Make it something that people really, really will look forward to with tremendous excitement, with tremendous anticipation.

I hope that I've given you a lot to think about. I will continue my exploration of innovation in E-Myth Essentials.

Until then, innovate, innovate, innovate! ■

Michael Gerber is chairman and founder of E-Myth Worldwide. He reminds you that the opportunity is to go to work ON your life not IN it, and in the process to experience the sweet, radiant, extraordinary joy of the fully-lived moment. His Web site is www.emyth.com.