

BUSINESS LINE

To Your Success

MAINTAINING YOUR MINUTE BOOK... WHY BOTHER?

By Attorney Judy Gedge

Many business owners take the prudent step of forming a corporation or limited liability company (LLC) to operate their business. The primary benefit of operating this way is the protection from personal liability it can provide. If, for instance, a hard-to-please customer claims that you failed to deliver your product/service as agreed-upon, a lawsuit may result. If your business is structured as a corporation or an LLC, then your customer's claim is, generally speaking, against the entity and not against you personally.

But take note – if you haven't properly maintained your company minute book, you can be exposing yourself to personal liability for the obligations of the business. How could this happen? Under a legal doctrine known as 'piercing the veil.' Under this doctrine, the owners of a corporation or LLC can be held personally liable if they fail to maintain the legal and financial integrity of their business entity.

If you filed the initial documents with the Secretary of State to form your entity, that's a



good start. But it's also important that you maintain the legal records of your company on an ongoing basis. Does your corporate minute book contain minutes of the meetings of directors and shareholders for every year since its formation? Does it contain the corporation's bylaws and a shareholder registry? If your business is an LLC – do you have a copy of the Operating Agreement and minutes of the meetings of the LLC members?

If you don't have these important legal records, your minute book is incomplete and you may be exposing your personal assets to the risks of your business. To avoid this, you'll need to make sure that you properly maintain that minute book.

Contact Attorney Judy Gedge to obtain additional tips to maximize your protection from personal liability.

THE BUSINESS PLAN CYCLE

By Betsy Angelone

Have you taken a look at your business plan lately? Either you spent a lot of time on that document or you paid someone a lot of money to put it together for you.

Your business plan should have a mission statement and a consistent vision. Tactics and strategies, however, should be reviewed and revised based on the current market and business conditions.

Not only should you consider revisiting your original business plan, you might want to consider updating the information based on your current business results.

Has your business plan been developed with the necessary input from key employees and stakeholders? More importantly, has the plan been communicated with these key employees?

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IN THIS ISSUE:

Valuable information for your business including:

- Your Business Plan
- Financial Reviews
- Public Relations and Publishing Feature Stories
- Your Company Brochure
- Backup Tips For Your Computer

The contributors to this Newsletter are independent professionals providing general information. Business owners should consult an experienced professional for assistance suited to their particular needs.

SCHEDULING REGULAR FINANCIAL REVIEWS

By Annabel Pedemont, Accounting Software Services

Last month my daughter flew from London to Barcelona on the ultimate 'no frills' airline, whose motto, incredibly, is 'If you're late we won't wait'. This struck a chord, as I thought about what can happen if you fail to regularly review financial reports to track the health of your business, or leave it too late to remedy the problems. Below are some concrete suggestions and recommendations for generating reports that will ensure that you will always be fully aware of what is happening to your business.

There are several critical financial reports that should be generated and reviewed on a set schedule. These include the Balance Sheet and Profit and Loss reports, as well as outstanding Accounts Receivables and Accounts Payables. Other reports, depending on the needs and goals of your business, include:

- Job Costing
- Income & Expense per profit center, department or location
- Sales volume by Product or Service
- Profitability of specific Products or Services
- Actual expenses vs. Budgets or Estimates.

The aforementioned reports are only useful if accurate. Therefore, it is advisable to generate reports that check your data before you run your financial reports.

Using the Balance Sheet, you can ensure that:

- Total assets equal total liabilities and equity
- Bank and credit card balances are correct
- Payroll liabilities equal liabilities on payroll reports

BUSINESS PLAN

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Are revenues and margins where you expected them to be? Has your client base changed, grown or shrunk? Has your marketing plan reached the targeted prospect base and delivered the appropriate message? Are your business objectives being achieved at the levels you had anticipated? How closely are financial results measured?

In order to achieve success in your business, the business plan should be a living, breathing document.

- Accounts Receivable and Payable accounts match the Aging reports

Using the Profit and Loss report, you can check that:

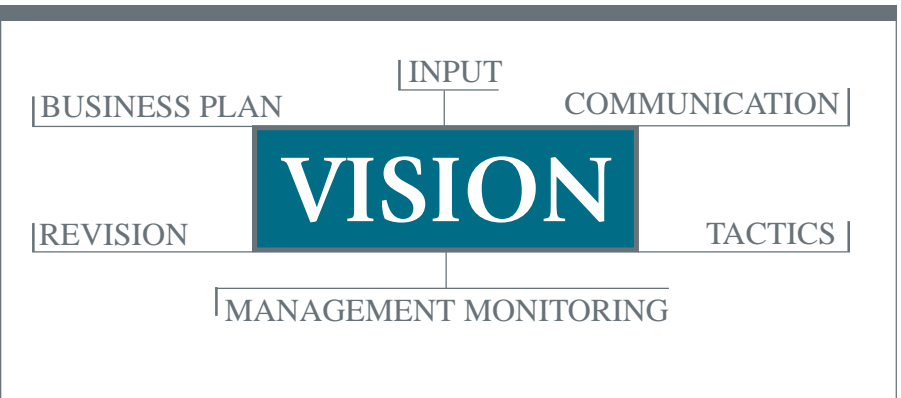
- Income matches Gross receipts on the Sales Tax report
- Income matches Sales by Customer, Rep and Item reports
- Gross Wages match wages on payroll reports

Finally, data verification reports can determine if:

- All costs are applied to jobs for the Job Costs reports
- All income and expenses are applied to a profit center or department
- All receipts and disbursements are applied to invoices and bills

These tests will ensure that your information is accurate and highlight any errors as either user or system errors, which can then be corrected. It is a good idea to check the integrity of your data if these appear to be system errors.

These regular reports can be customized and their format and parameters memorized, making them easily generated. This will allow you to review important reports on a regular basis, enabling you to identify problems and trends before they become a serious threat to your business.



TITLE

By Andrea Obston, President, Andrea Obston Marketing Communications

There's an old joke: A tourist is lost in New York City. "How do I get to Carnegie Hall?" he asks an elderly gentleman. "Practice, practice, practice," answers the world-wise gent.

My version of it goes like this: "How do I get my company to bottom-line victory?" an executive asks. "Publish, publish, publish," this pr-wise pro responds.

Okay, not a knee-slapper, but here's my point: One story about your company, no matter where it's published, will not affect the bottom-line in the long run. Not even a front-page story in the Wall Street Journal. Sure, a big fat pick-up in a major publication will get the attention of prospects, customers and your mom (everyone's ultimate target audience). Most likely, you can expect it to generate some immediate sales. But, if it's not followed up by another (and another) story, than its effect will be nothing more than a blip in your year-end figures.

So what's a business owner to do? Plan now to write and release feature stories that show off your company's expertise on a regular, predictable schedule. For many of our clients, that means 12 feature stories a year – one per month. Sound excessive? It's not. By reaching reporters and editors every month, you'll become a dependable source of information about your industry. Even if only 33 percent of these stories "move" a particular editor, you still show up in their publication four times in a year. And, considering that the same people read most publications over and over, you're able to use exposure in that publication to maintain regular contact with your target audience.

I'd also like to point out that if your stories show up once a month, you're also securing "share of mind" among the editors and reporters who cover your industry. Even if they don't use any of the feature stories you submit, they begin to understand what your company does and they know what information you command. So, the next time they are doing a story on your industry, they'll consider you as a resource. Let me give you an example: We once wrote and distributed a feature story called "Downsizing Done Right" for a client that had a large labor and employment law practice. Among the reporters we sent it to was a columnist for the Wall Street Journal. She e-mailed me that the story didn't

interest her, but asked if they had an attorney who could address ADA issues. We did. The interview was set up and after that, she repeatedly called for interviews on other labor issues.

**WRITING AND DISTRIBUTING
FEATURE STORIES IS A
GREAT WAY TO BUILD
CREDIBILITY, PRODUCTIVITY
AND ULTIMATELY A
HEALTHIER BOTTOM LINE.**

Now, I know you have more pressing items on your plate than sitting down to write feature stories once a month (that's why people like me stay employed). You're probably wondering if you can still make an impact by releasing them less often. You can, provided you release them at least once every other month. It just takes longer for editors to recognize your company, but it still works. I would not, however, do it less than six times a year. Too much clutter comes across an editor's desk and it's too easy to forget you. We once did work for a company whose president insisted that we distribute only four features per year. We advised against it, but the president held his ground. Against my better judgment, we put together a campaign that included only four feature stories in a 12-month period. Even though all four articles were published, there was too much time between them and his company was never top of mind with the editors. I spent most of that year explaining that fact to the president when he'd call to complain about those same publications quoting his competitors about his industry. "That's the same editor who used our story, so why didn't he come to us for a quote?" he demanded. How do you tell a client that without regular contact, he was just plain forgettable?

So, the upshot is this: Writing and distributing feature stories is a great way to build credibility, productivity and ultimately a healthier bottom line. But, it has to be done at least once every other month if you want that bottom line to stay hale and hearty.

THE BROCHURE: A WINNING PRESENTATION OF YOUR COMPANY

by *Andrea Lafleur*

A pitch on paper? That's basically what a brochure is: a pitch — or sales presentation — about your company. If its going to stand out and get noticed, your company brochure needs to be a winning presentation.

As a small business owner, it is most likely you have a knack for sales. Thinking of your new brochure as a sales presentation will help you to see the importance of developing a highly clever and persuasive brochure. Here are a few items to keep in mind:

Focus - Choosing your goal, or goals, is a natural starting point. For example: who is your target audience? What kind of business do I want to receive? Develop the brochure around your goals.

A Catchy Phrase or byline is probably one of the most important aspects of your brochure. Is there something you can say about your company that describes its uniqueness and most compelling aspect? Can it be said in just a few words? This will become the headline or cover title. Carry the theme throughout the brochure in a variety of forms (color, imagery, etc)

Only a Dash of Text - Modern society is overloaded with written information and short on time. Condense your text copy as much as possible. If you make it easier for the reader to digest your brochure, they will be more likely to take in your entire message.

Size & Shape - There is no rule that says you must stick with the usual 8.5" x 11" tri-fold size. Depending on the end-usage situation, you may wish to utilize a creative approach to the folding and ultimate shape. Keep in mind that while uniqueness is more interesting, it is also more expensive.

Colors and Graphical Elements - People are drawn to color. People also like to be entertained. However you must strike a balance between color, exciting graphics, creativity and your company image.

Overall, Be Practical - There are already a multitude of brochures in circulation that are over cluttered with graphical elements thrown down in a hodge-podge fashion, mixed together with too many different typefaces. Keep the layout neat and cohesive. Your general message should be easy to identify at a glance.

DON'T WAIT TILL DISASTER STRIKES TO BACK UP YOUR COMPUTER

By *Marsha Marsiglio, President, The Software Coach*

Six Key Backup Tips

- Develop a backup plan
- Automate your backups
- Back up every machine
- Back up more than just documents
- Keep a back up set offsite
- Test your backups BEFORE you need them

Backing up your data regularly is vital insurance against a "data catastrophe." Unfortunately, this is a lesson that most people learn only from bitter experience. Developing a solid backup plan requires some investment of time and money, but the cost is far less than the often-impossible task of recreating data for which no backup exists

At a practical level, backing up your email files, word processor files, databases, web bookmarks, and any other files you directly create will provide you with sufficient backups to make recovery possible in the event of a crash.

It's a good idea to make at least two sets of backups—one "live" set that you have available in your office, and one set that you store in a secure off-site location such as a safety-deposit box. You should rotate the backups at least every week, so that you have a recent backup that is protected against fire, theft or some other site-specific disaster.

There is a wide variety of hardware that is potentially appropriate for small-to-medium office backup systems.

TAPE

CD-RW

ZIP

ANOTHER HARD DRIVE

INTERNET BACK UP

Don't wait till disaster strikes to back up your computer, be prepared.

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