



Newsletter 2

President's Message

4 Years... What are the Odds?

This May marks the 4 year Anniversary of Michigan CFO Associates. We've been fortunate to experience steady growth – even during the economic decline - and 2010 should be no exception. One of the webinars we do has a bunch of statistics regarding small business failure rates – which have actually gotten substantially worse in recent years. I picked out one of the charts from that presentation to demonstrate the ridiculous odds of succeeding as a small business owner (see below).

If you think about it objectively, you'd be better off taking your money and playing blackjack; at least you'd have close to a 43% chance of winning. Not that I'm suggesting you go flush away money at the casinos, of course. But as the chart shows, the odds are definitely stacked against the entrepreneur. (**Note:** if you haven't seen this webinar yet, what are you waiting for? Check it out at

michiganCFO.omnovia.com/register.)

Needless to say, I'm very pleased to be writing about our 4 year anniversary. We've got some substantial changes coming in the next few months related to continued growth that I can't reveal just yet, but suffice it to say that I'm looking forward to defeating the 5 year statistic on the chart as well.

May is also another anniversary, one that I am much less enthusiastic about. Every year around this time when the birds start building nests, we get a couple of enterprising blackbirds that mistake our grill for a tree. They ac-

tually fly in through the holes on either side of the grill, bringing in nest-building material. Then I walk out on the deck, open up the grill and find an incredible amount of debris piled up in my grill. ([See photo on back cover](#)).

The first year this happened, it was amusing; the second year, annoying. This year, I realized that this is not some fluke event, rather I give them credit for their consistency and determination.

Now you could argue that it doesn't take a Master's degree from Walsh College to figure out

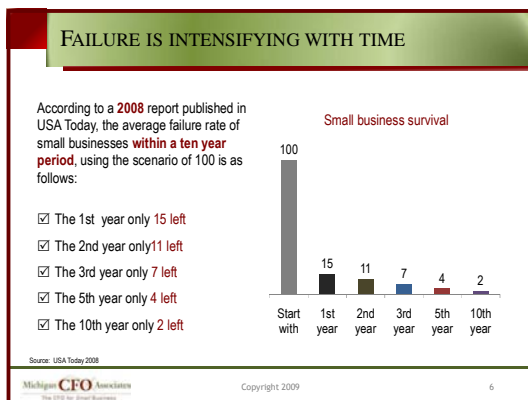
that actually putting the COVER on the grill would prevent this problem. It just so happens that we are due for a new grill anyway, so perhaps subconsciously I intentionally left the cover off and 'willed' the birds into taking up residence in order to rationalize purchasing the new grill. Perhaps.

In any case, thanks so much for your support over the past 4 years – it's been a great ride, and God willing, we'll be 'in office' for at least 4 more years!

If you're in the area, stop by for some grilled breast of blackbird with a side of fried eggs. If we're not home, chances are we're out shopping for a new grill.

Best Regards,

Todd Rammler, CMA, MSA
President



Inside This Issue:

President's Message:
4 Years... What are the Odds?

What's Happening?
Exciting News at Michigan CFO Associates—check it out!

Important Regulation Changes
The HIRE Act, Health Care Law and changes in 1099 reporting

Client Spotlight
Q&A with Mike Meldrum, Complete Communications, Inc.

View past newsletters online!

www.michigancfo.com/about/newsletterarchive.html



What's Happening?

Workshops. In the coming months we will be presenting a series of educational workshops entitled **"The Cash Flow Factory"**. As you might guess, the workshops will be centered on the idea of maximizing cash flow and eliminating an over-reliance on bank financing. More info on dates, times & locations will be available soon – you won't want to miss this!



Walsh/Crain's 2nd Stage Event. Michigan CFO Associates recently attended the Walsh College/Crain's **"BusinessLIVE 2010"** event for 2nd Stage businesses. The event featured presentations and breakout sessions with content relevant to so-called "2nd Stage" companies. One of the highlights was listening to John Lichtenberg discuss how he came up with the present 'yellow pad' ad campaign Walsh College is running. You can see samples at <http://www.walshcollege.edu/marketingcampaign>.

Opening Day. This year I finally made it down to the Tiger's opening day game and what a great time we had! In keeping with traditions, the weather was terrible but the turn out was great – I think it may as well be turned into a local holiday based on the number of friends and colleagues we ran into downtown (was *anybody* working??) We also had a great time at the GEM theatre at a charity event benefiting Winning Futures (www.winningfutures.org). Can't wait till next year!



Opening Day 2010 at Comerica Park



Todd, Larry Wendt & Steve McCarty at Opening Day



David Hodges and Todd at BusinessLIVE

Important Regulation Changes to be Aware of

President Obama Signs HIRE Act to Help Boost Hiring In 2010

Source: UHY Advisors, LLP

On March 18th 2010 President Obama signed into law the Hiring Incentives to Restore Employment (HIRE) Act. This Act provides employers with financial incentives for hiring unemployed workers. Generally, an employer will be exempt from paying its share of 2010 Social Security taxes on any new hire who has been unemployed for at least 60 days. Employers are eligible to receive up to a \$1,000 income tax credit for every qualified new employee retained for 52 weeks.

The HIRE Act also extends a tax break for 2010 included in the American Recovery and Reinvestment Act that allows small businesses to deduct up to \$250,000 of the cost of qualifying capital investments in the year purchased, instead of requiring businesses to depreciate such equipment over a period of time.

The HIRE Act Employee Affidavit (Form W-11) was recently released by the Internal Revenue Service. In order for employers to claim HIRE Act benefits, including a payroll tax exemption or a new-hire retention credit, a qualified employee must complete and sign the affidavit. The form is to be kept on file by the employer. A qualified employee is a new hire who begins employment after Feb. 3, 2010, and before Jan. 1, 2011. The new hire must not have been employed for more than 40 hours during the 60-day period ending the day the employee begins employment.

Form W-11 is available at the IRS website <http://www.irs.gov/pub/irs-pdf/fw11.pdf>.

Health Care Law Changes

Source: CCH

For a concise (sort of) summary on the impact of the Health Care and Education Reconciliation Act of 2010, visit <http://tax.cchgroup.com/legislation/Senate-Healthcare-Fixes-Bill-03-25-10.pdf>

Major Changes to 1099 Information Reporting Laws were included in the Healthcare Bill.

Source: 1099 Pro, Inc.

The passage of the Healthcare reform bill included some of the most drastic changes to 1099 information reporting in over a decade. The bill included revenue raising provisions meant to seek greater compliance with the tax code via 1099 information reporting. General provisions included:

- The elimination of the corporate exemption from 1099-MISC reporting. (Public Law 111-148)
- The requirement to report payments for property (goods, materials, merchandise, supplies, etc.). (Public Law 111-148)
- A six-fold increase in penalties from \$250,000 to 1.5 million. (H.R.4213, H.R.4849)
- A doubling of penalties per record from \$50 to \$100. (H.R.4213, H.R.4849)

Beginning for payments made after December 31, 2011, companies will be required to furnish and file form 1099-MISC for payments made to all for-profit companies regardless of corporate status. In addition all payments for goods, materials, merchandise, supplies, and other property will need to be reported as well. Early indications reveal that these changes will likely cause the 1099 reporting volume to increase significantly for most companies as well as the associated B-Notices.

While the law applies to payments made after December 31, 2011 companies need to make broad changes to: 1) W-9 procedures to include all vendors. 2) Solicit W-9's for corporate vendors. 3) Prepare for larger 1099 year-end printing, mailing, and filing. 4) Make the appropriate budgetary and system updates to accommodate these changes.



Client Spotlight on...

Mike Meldrum, President, Complete Communications, Inc.

Complete Communications Inc. (CCI) is a full service communications company that provides customized solutions to meet the needs of diverse and unique customers. Established in 1987, CCI specializes in Cabling, Telephone, Audio/Video, Paging, Security, and Video Conferencing systems (to name a few). Customer projects may be as small as several phones, to fully integrated A/V for a busy restaurant (TVs, phones, POS systems), to hundreds of line drops & systems in Schools, Hospitals and larger corporations.

Launched 23 years ago out of a 10' x 10' room in a basement, brothers Mike & Joe Meldrum have grown CCI steadily through strong relationships and passionate, hands-on service. The company presently employs 30 and occupies a 6,200 sq. ft. facility (every last inch!).



Mike Meldrum at the Broadvox partners conference in Dallas TX

<http://www.buymichigannow.com/>

Business motto: "It's not a problem"

What technology changes are you most excited about right now? What's coming next in communications?

The most exciting technologies are the IP PBX hosted products (available in the market place today). We have partnered with a VoIP (Voice over Internet Protocol) carrier named Broadvox; they unveiled a new hosted solution at their Partner Summit in Dallas that delivers IP PBX features with phones as the only purchase requirement; no other equipment or software is needed. This makes it easy for companies of any size to achieve a great business phone system with a comprehensive suite of PBX features. http://www.cci4solutions.com/Portals/0/GO!Hosted_Solution_Overview.pdf

I believe "Cloud Computing" will set the stage for next technology wave. The ability to bundle IT, Telephony and managed services all from a centralized location could mean huge cost savings within many companies' technology budgets.

What is the primary way that CCI adds value to customers?

It's all about first class service from start to finish, from the team member that answers the telephone to the technician that installs and services our systems. We have empowered the people that work with us and each one of them strives to provide the highest level of service possible.

We're a small business in Michigan and understand the struggles business owners face every day. With that knowledge we can design systems that have the high tech features that SMB's are looking for at cost conscience prices.

With the rapid changes in technology, many businesses can significantly upgrade their phone systems (using IP phones for example) and actually reduce their monthly cost. Imagine that. . . a new & better phone system for less money.

What's the most expensive lesson you've learned in business?

You can't do everything yourself! Finding and empowering the right people in key positions in any company is critical to the success of that organization.

Looking back at the past 3-5 years, what would you say was one thing that, in hindsight, has really made a big, positive impact on CCI's success?

Without a doubt it would have to be adding your firm's CFO assistance (a shameless plug, I know, but it's true.) This has brought us a new way to look at the business, through easy to read (and understand) reports that help us make qualified business decisions based on data and not on that gut feeling. [Ed. Note: "I'm blushing. . ."]

Best book you've read in the past 12 months & why?

"Fish! A Remarkable Way to Boost Morale and Improve results" by Stephen C. Lundin. I traveled to Seattle this past February and had the opportunity to visit the Pike Place fish market (which the book is written about) and see the Fish Market in full swing. The book was great but, seeing the key elements of the book in action were uplifting. It's a great read about the little things and the importance that they hold on a day to day basis in boosting morale and retaining employees.

Coolest gadget you're playing with right now?

The new VIP922 SlingLoaded DVR receiver from Dish Network with a built in Slingbox.....now I can watch TV on my laptop or mobile device, almost anywhere in the world.

How can people get a hold of you?

Michael D. Meldrum
Complete Communications, Inc. of MI
44265 Groesbeck Highway
Clinton Township, MI 48036
586.439.2000 Ext. 104
586.439.2001 Fax
586.913.2404 Direct Tel
586.913.2412 Direct Fax
586.615.0161 Cell
Mike.Meldrum@cci4solutions.com
www.cci4solutions.com

Are those the only ways? Seems like 5 phone numbers is not nearly enough. . .

Remember, the name of the company is "Complete Communications"!

Michigan **CFO** Associates

The CFO for *Small Business*

44056 Mound Road, Suite 104
Sterling Heights, MI 48314
586.580.3285



See inside for 'The rest of the story!'



Newsletter ②

Michigan **CFO** Associates

The CFOs for *Small Business*

44056 Mound Road Suite 104, Sterling Heights, MI 48314
586.580.3285 x 201

www.michiganCFO.com / info@michiganCFO.com

OUTSOURCED CFO & CONTROLLER SERVICES INCLUDING:

- **TRENDSPOTTER™ Financial Statement Analysis**
- **Cost & Profit Margin Analysis**
- **Bank Financing Packaged & Negotiations**
- **Financial Projections**
- **Cash Planning & Management**