

Michigan CFO Associates

The CFOs for *Small Business*

VOLUME 5
ISSUE 4

Newsletter

4

President's Message

Do You know how to get to Delco Boulevard?



Todd Rammler

As I was thinking about a topic for this newsletter, I wanted to write about budgeting (it is budget season, after all), but I'm also very aware that budgeting is not the most compelling topic to you, the reader. I thought "How can I make this more interesting, and yet still get the point across?"

After staring at the computer screen for a while, I had an idea:

Go to lunch.

Maybe inspiration would hit me after lunch. (Sometimes knowing when to quit is a valuable trait to have).

So I went to lunch. As I walked through the parking lot on my way back from lunch, I noticed a car coming directly at me, not slowing down at all. The woman driving the car was waving at me, like we were long lost friends, but I didn't recognize her. She narrowly avoided hitting me, stopped the car, rolled down the window, and . . . asked me for directions.

"Do you know where Delco Boulevard is?" she asked. I had no idea where that was, and I'm pretty familiar with the area.

"No, I don't. Where are you going?" I asked.

"To my eye doctor".

"Is your eye doctor by the mall?" She didn't know, and didn't seem familiar with the area at all. So I pulled out my phone, and in a matter of seconds I located the street. I then tried to explain to her where it was (only a ¼ mile away). "It's back that way" I said, pointing. "Just east of the highway, on the south side".

Blank stare.

I attempted a few more verbal explanations, then decided to *show* her where it was. I've got a map on my phone, and a picture is worth a thousand words, right? So I hold the phone up for her to see, and before I get two words out of my mouth she interrupts me and says:

"I can't see that. . . that's why I'm going to the EYE DOCTOR." Touché.

So I tried to explain to her how to get there, but I suspect she didn't remember anything beyond the first turn out of our parking lot.

I wished her luck, and headed into the building, wondering exactly what her plan was when she left the house. No map, no written directions, no phone to call the Dr.'s office, not familiar with the area. "*What was your plan, lady?!?!?*"

We all do these dumb things once in a while, hopefully not too often, and hopefully with less frequency as we get older.

I know you've heard the many planning clichés: "if you don't know where you're going", and "if you aim for nothing", etc. I'll spare you the clichés and just say this: **You need a written plan for where you're going in your business, and you need to follow it.** *Have a written plan, and follow it.*

I've presented a very eye-opening statistic before, but just in case you missed it, or have forgotten:

99% of Businesses do NOT have a written plan for growth

The stakes are high. If the lady misses her appointment, it's no big deal. But if you simply hope you get 10% growth with no "map" on how to get there, it could be the end of *years* of work and lot's of dollars invested. You can't leave it to chance. You can't hope there's a guy with a smartphone in the parking lot pointing you to your destination when you're business is "lost".

If you (or a business you're aware of) don't have a written plan, get in touch with us. This is one of the areas we specialize in. Or do it yourself. Either way, you need a plan. And there's no better time to get 2012 plans done than right now.

Best Regards-

Todd Rammler, CMA
President

Inside This Issue:

President's Message:
Do you know how to get to Delco Boulevard?

What's Happening?

Detroit News Article

CORP! Magazine Article

Cash Flow Factory Workshop

Walsh BusinessLIVE 2011

Automation Alley

Dancing with our local stars

New Faces

Bobble Head Contest

The CFO BIG 3

View past

newsletters online!

www.michigancfo.com/about/newsletterarchive.html



What's Happening?

This quarter there's been so much going on that we decided to take a brief reprise from the "Spotlight" column, and share with you all that is happening here at Michigan CFO Associates. Enjoy!

Detroit News Article. In case you missed it, Michigan CFO was featured in the Detroit News recently. [Read the article](#)



Brian & Todd, featured in the Detroit News

CORP! Magazine Article. Another "In case you missed it" – Brian Bach was featured in Corp! magazine for his article "**Cash Flow Plumbing – Fix the Leaks**". [Read the article.](#)

The Cash Flow Factory Workshop Series. In September we had an "encore" presentation of workshop #1 "Creating the Cash Flow Factory". Workshop #2 in the series "**10 Keys to a Healthy Business**" is scheduled for Thursday, November 10th at Automation Alley. **Note: Seating is limited to 20 participants.** If you'd like attend or invite a client, [register now at http://michigancfo.com/events/workshops](http://michigancfo.com/events/workshops).



The Cash Flow Factory Workshop at Automation Alley

Walsh BusinessLIVE 2011. Michigan CFO was a sponsor for the Walsh 2nd Stage Business conference held at the Troy campus. Several hundred entrepreneurs attended workshops on a variety of subjects including marketing, strategy, employment law and many others. For more information visit <http://www.thewalshinstitute.com/BusinessLIVE>.



Brian & Todd at BusinessLIVE 2011

Automation Alley. Michigan CFO is proud to be a new member at Automation Alley. If you're not already a member, get connected at www.automationalley.com.



Brian with Miss Michigan, Elizabeth Wertenberger

Dancing with our local Stars. Brian volunteered to support this event benefiting the American Diabetes Association in September at the San Marino Club. Brian met Miss Michigan Elizabeth Wertenberger, who overcame chronic illness including juvenile rheumatoid arthritis at age 13. [Read her story.](#) For more information visit <http://www.dancingwithourlocalstars.com/>.



Cyndi Zlotek

New Faces. As the new office manager of Michigan CFO Associates, Cyndi is responsible for ensuring the daily operations run efficiently. She is a key player in the support of the entire Michigan CFO team, responsible for internal accounting, administration, marketing, and communications. Prior to joining Michigan CFO Associates, Cyndi was an Administrative Assistant at a pediatrician's office. Outside of work, Cyndi enjoys spending quality time with her two daughters, Payton and Jordyn. Her other

The CFO BIG 3 of Financial Management



Brian Bach

During the course of my day, meeting and talking with business owners, I often ask them 3 simple questions to evaluate (or assess) the financial management of their companies. 1) Do you receive accurate, timely and meaningful financial statements on a monthly basis; 2) Do you have monthly and annual financial budgets or projections; and 3) Do you have a written cash flow plan.

I have found these three areas to be essential to the financial success of a business and when a business owner measures their performance using these reports. It provides a powerful framework to manage the finances of their business.

Accurate, Timely and Meaningful Monthly Financial Statements:

1. First and foremost you need to have monthly financial reports for your business. You need accurate information that is properly categorized and consistently recorded, so you can compare one period to the next (or prior year) and draw meaningful conclusions.
2. Next is timely. Financial statements are like newspapers, not very interesting or relevant if they're 3 weeks old. Having information within the first week of a month gives you 3 weeks to make changes and impact the current month.
3. Lastly, financials must be in a meaningful format. A number by itself has no relevance unless it's put into context or relationship to other numbers. Comparing to budget, last-year or as a percentage of sales gives richness and meaning to the numbers.

Monthly and Annual Financial Budgets:

Everyone has heard the adage, "if you don't know where you're going, you won't know how to get there." Having a plan, a goal, a direction is imperative to driving the business forward. I'm not talking about just a top line number, but projecting costs and expenses so you have a clear understanding of your bottom line.

Written Cash Flow Plan:

Cash is the life blood of your business. Cash flow management is the "exercise" that improves your cash circulation. This is much more than just watching your cash balance. You should have a map that plans both your cash inflows and outflows that is connected to your budget. This helps you determine the cash needed for payroll, buying assets, loan payments and large inventory purchases. It's a very important planning tool that gives you the confidence you wouldn't run out of cash.

Together, these 3 reports are very powerful. Your monthly financials measure your current performance and the monthly budget provides an instant comparison. You'll have the right information to determine if changes are needed and you'll be able to react immediately.

If you would like to know more or need help creating these reports for your business please contact us and let's get 2012 off to a great start!

We would like to thank the following clients for their continued support and look forward to many more anniversaries to come!

Bosco's Pizza

3 Years

www.boscospizza.com

TrynEx

International

1 Year

www.trynexusfactory.com

Welcome!!

**New Customer
Welcome!**

FLEETILLA

www.fleetilla.com

Michigan **CFO** Associates

The CFOs for *Small Business*

12900 Hall Road, Suite 455
Sterling Heights, MI 48313
586.580.3285



Newsletter ④

Michigan **CFO** Associates

The CFOs for *Small Business*

12900 Hall Rd, Suite 455 Sterling Heights, MI 48313
586.580.3285 x 201

www.michiganCFO.com / info@michiganCFO.com

OUTSOURCED CFO & CONTROLLER SERVICES INCLUDING:

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