



*Our mission is to provide information and strategies to business owners and managers for improvement in the effectiveness of its business management so that key objectives can be realized.*

CFO Plus, LLC

Ted Hofmann - Principal/Senior Consultant

John Morre - Principal/Senior Consultant

Linda Panichelli - Principal/Senior Tax Consultant

1450 Grant Avenue, Suite 102

Novato, CA 94945-3142

Home Office: 415-898-7879

Toll Free 866-CFO-PLUS or 866-236-7587

Email: [thofmann@cfoplus.net](mailto:thofmann@cfoplus.net)

[jmorre@cfoplus.net](mailto:jmorre@cfoplus.net)

[lpanichelli@cfoplus.net](mailto:lpanichelli@cfoplus.net)

Web: [www.cfoplus.net](http://www.cfoplus.net)

## It All Adds Up

I recently visited a restaurant that we love for its consistency and price point for good food. My husband and I have been dining there for more than 10 years. We visit regularly because we are a good fit for them and them for us.

Over the years, one of the only things that bugged us was that they served cold drinks, such as iced tea or water, in small glasses. These 16 ounce tumblers, when filled with ice, hold very little liquid. This caused several things to happen: 1. the wait staff had to make multiple trips to the table to refill our glasses, 2. we would stay longer than intended sometimes due to waiting for our glasses to be filled so we could wet our palette, 3. when we would get our iced tea just where we wanted it (with lemon and sweetener), the wait staff would fill 'er back up in an attempt to save steps.

It seems like such a simple thing, yet my husband and I, on occasion, would speculate as to how much those glasses were costing the company. It all adds up. The extended stay of guests, the wait staff running back and forth repeatedly – sometimes at the cost of not properly attending to other guests, longer waits for guests waiting on tables, even increased usage of sweeteners (due to the number of refills, we routinely used more than we would have otherwise). Given all of this, imagine our surprise when we found the restaurant moved to a larger-sized tumbler. This one was great. I think we had one refill each and used only one packet each of sweetener. The service was good, as usual, and we noticed that the wait staff seemed more attentive overall.

It is often the “little things” that add up over time. Here are areas within virtually every business that can hamper productivity, dampen profits and put a lag on morale.

- **Exchanges too many hands.** How many people does it really take to place an order? Look at your systems to see if it would be beneficial to reduce the number of people needed to perform a function.
- **Employees don't have all the information needed.** When employees can't remember the particulars, they often go seeking answers to their questions. This takes the employee's time, the person's time for answering the question and, sometimes, the customer's time. Most businesses can benefit from documenting information in a common place, such as a notebook with guidelines, procedures, etc. This also provides a map for new employees to quickly learn the lay of the land.
- **Chaos rules.** Clutter around the office or business is one thing, but another is having a workspace that is unorganized. Supplies that are out of place, forms that are mixed in with other papers – all mean extra steps and more effort to achieve one task. It takes only minutes each day to keep workplaces in tip-top shape for doing business.
- **Stopping and starting woes.** It takes more time to perform a job when a person is interrupted and must begin again. While some people welcome interruptions throughout the day, this can wreak havoc on personal productivity. Eliminate unnecessary interruptions by breaking down job functions so time can be maximized, removing interrupters such as a candy bowl at a person's desk (put the bowl in a common place for all to enjoy, but that doesn't invite impromptu conversations throughout the day) and save time away from your desk or station by combining trips (restroom break with a trip to the supply cabinet, for example). Don't forget to set a specific time each day to check e-mail, too!
- **Take a break.** Taking a true break from the workplace will deliver you back to the office or company in top mental performance. Working through lunch at your desk, while it may seem productive, actually lessens your productivity throughout the afternoon. Take a break – even if it is only to walk outside for 10 minutes – to improve concentration and achieve peak performance.

It all adds up. Improved productivity throughout the days, weeks and months will yield a performance-driven year. For more ideas on how to achieve your company's best, give us a call today.



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## Performance Advantage Success Story

### Concentrated Efforts Enhance Profits for Public Relations Firm

#### The Challenge

The owner of a successful public relations firm was concerned that she was so busy working in the business, she could not take her business to the next step. In the past, she had not taken the time to determine where she could enhance profitability or measure the value of each client. To invest in the future of her firm, this business owner chose to join a Business Performance Roundtable, where a Business Performance Advantage specialist would teach her and other business owners how to utilize performance measurement to improve their businesses.

“When you are a sole proprietor, it is difficult to think about the future of the business because you are so busy with the day-to-day work for the services you provide. I couldn’t go farther, but I knew that there was potential for growth,” the public relations firm owner says.

#### The Results

After one year and 12 monthly sessions of working with the business performance team, this firm enjoyed a 25 percent increase in their gross revenue and, more importantly, a 40 percent increase in profits.

#### The Performance Measurement Solution

The business owner joined the Business Performance Roundtable with the goal of identifying areas where she and her team could – and should – concentrate their efforts to enhance profits. The fact that the Business Performance Roundtable was offered by the firm’s CPA firm, whose professionals know the public relation firm’s financial situation, added a powerful dimension to the process. The program offered a structured curriculum designed to help each participant pinpoint facets of their company’s operations that inhibited growth. The group also gained the benefit of “hands-on” support from other business owners and the business performance team of consultants as they progressed through the sessions.

“One of the benefits of a Roundtable situation is that many of the participants experience similar problems and can offer ideas of what has worked for them in the past and what has not,” states the lead business performance specialist. “When we discuss and apply the performance measurement process within the group, they are able to not only monitor their business changes but also see the progress made in other businesses as well. The synergy of the Roundtable team that the public relations owner participated in was so dynamic that the members also shared referrals and began to do business with each other as well.”

During the 12-month program, the group moved through individual business investigations, developed a Mission and prepared a detailed Vision of where they would like to take the business in the future. Next, they tracked their relationships with their customers to find opportunities to increase return business and improve the retention of these customers. At this stage, each business owner identified interactions that are key to the success of their relationships with their customers and uncovered problem areas where they were losing business.

Throughout the year, participants studied Roundtable topics, which ranged from Optimizing Human Assets, Financial Literacy and Streamlining Operations to Targeting Marketing Efforts. With each step along the way, each participant searched for activities that would allow them to measure the results of their efforts. These performance measures were compiled in a Flash Report that helped the business owners stay abreast of the Key Performance Indicators (KPI’s) of their success.

“I was able to focus on my business and utilize tools that were provided to help us streamline and refine our operations, thus making us more profitable. Through this process, our employees gained a clearly-defined picture of what is expected of them, and as a result, we have more productive employees,” said the public relations business owner. “I highly recommend the Business Performance Roundtable to any business owner that is looking to improve their bottom line, grow their company and be successful.”

In addition to meeting this client’s accounting needs, the relationship continues with ongoing executive coaching and strategic planning and implementation. The business performance specialist concludes, “We are partners in the success of our clients’ businesses and when they succeed we both win.”



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## Analyze Your Business: Management

By Michael E. Gerber

The more you examine what is true about your business, the better you will be 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 management system.

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. How many locations do you have? How many employees do you have?  
How many people are in a management position?
2. Have you created an organizational chart that defines the functions of your business?
3. Do you have a consistent recruiting and hiring system in place?
4. Do you have a documented training system?
5. Do all of your people have documented accountabilities and standards?
6. Do they know that they're accountable? Have they agreed to be accountable?  
How is it documented?
7. Are you getting the results you want from your people?
8. Can you calculate the dollar cost for unproductive staff due to lack of clarity, confusion about accountabilities, or lack of adequate training?
9. How are your people compensated?
10. Look at the other work you've done evaluating your business (either additional **Business Needs Analyses**, or other business development work you've completed).  
What's missing in the structure of the business?
11. How many people directly report to you and what are the results you hold each accountable for?
12. What are you accountable for and what are the results dependent on you?
13. What is the maximum number of people reporting to any one manager at any one time?
14. How do you address job violations? Are you monitoring the results?

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 performance efforts. Begin today by calling us!

*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](http://www.emyth.com).*



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## Are you ETDBW?

By John W. Turnage

Sometimes it's the little things that really drive you crazy. Small things like 23 toll-free numbers to a single company. Which one do you use? Or what about those ATM service charges, which cost anywhere from a buck fifty to three dollars, that financial institutions conveniently charge so you can get access to your money. Remember the days when ATMs were going to save us money because the bank would need fewer tellers if people did their own banking? Yes, it's the little things that drive us over the edge.

I guess that's why when I read Mike Hammer's book, *The Agenda*, I immediately connected with his concept of becoming easy to do business with (ETDBW). In a nutshell, Hammer suggests that today's clients have grown more sophisticated and are savvier than those of yesteryear. The new client demands a working relationship that is inexpensive and effortless. This does not mean the client demands your services be inexpensive – only that the cost of doing business with you be exceedingly low in cost.

Wow. This really makes sense. After all, the cost of our service or product is only a fraction of the actual cost. Once you factor in all the billing phone calls because invoices are sent out in an ambiguous manner, the time spent with inexperienced or lackluster sales representatives or professionals, the amount of time it takes in voice mail to actually get to a person, and the investment of learning how to interface with the company in the first place, it's no wonder clients are getting wiser. Increasingly, this is a competitive strategy – to manage performance across companies.

So how do companies find themselves floating as an island – disconnected from the way their clients view them? It all starts innocently enough. First, the company divides into departments to better manage performance or focus more intently on departmental goals. Perhaps they move from departments to being considered a "profit center." Now, it's the departments' responsibilities to turn a profit. Soon, these departments are vying for open resources and shutting out other department requests because it doesn't "add" to their overall vision. And then, before long, the department only relates to its departmental goals, the company only relates to itself from its internal goals, and the clients' view of the company is dust in the wind.

So where do you go from there? The first step is to take a day – or longer – to walk in your clients' shoes. How do they think of your services? Do they have to dig to find the services or products they need from you? Does it take more than five phone transfers to get a live human being? Is your billing process so mysterious that from month to month clients aren't sure what they are paying for? And what about appointments? Do they trek to your office or do you take the wide loop to theirs?

It simply isn't enough to give the client what you think they want. You must find out what you can do to make it easier for them to do business with you. Then, you must commit to implementing procedures, processes, and paradigms that deliver these to your clients – consistently and profitably. After all, your clients want you to be as successful as you help them to be.

Hammer makes a great point: If your ways of doing business are built around how your company operates, then your customers pay the price, and ultimately you will as well. You exist to solve customers' problems. Customers do not exist to do business with you.

Whether you put together a client advisory board or conduct a simple client service survey, the effort you put into this important task promises to pay you back in spades. So, the next time you are at an ATM paying yet another fee, think about the little things that are driving your clients crazy – then commit to change them.

*John W. Turnage is a regular columnist for CPA Magazine. He writes often about consulting solutions. This article appeared in the December 2002 issue. Learn more about CPA Magazine at [www.cpmag.com](http://www.cpmag.com).*



## Get Savvy About Cell-Phone Plans

Since when does it take a Ph.D. to figure out a cell-phone plan? Just the other day, a friend commented on how her cell-phone bill went from \$200 a month to over \$600 a month. She wanted to get more peak minutes (those that occur during the business part of the day), so she changed her calling plan. What she didn't realize is that when she made this switch, her peak time period also changed. This meant that instead of her night and weekend rate starting at 7 p.m. as she was accustomed to, it started at 9 p.m. So, even though she added to her monthly peak minutes, she quickly used them during what she thought was an "unlimited" weekend time frame from 7 to 9 p.m.

When it comes to cell-phone contracts, lots of areas abound to wind up in the hot seat. As a business owner, who may use the friends and family feature (this is an option that does not charge when the caller places a call to a phone on the same plan), there are many other options to consider before signing on the dotted line. To save time, money and exasperation, follow these guidelines when selecting a new cell-phone provider, renewing a contract or changing your calling plan.

**Know your hours.** Peak hours for some cell-phone plans begin at 7 a.m. and end at 7 p.m. Others begin at 8 a.m. and end at 8 p.m. Still others can begin as early as 7 a.m. and end at 9 p.m. If your cell-phone habits call for a maximum number of peak minutes, be sure that you are choosing a plan that will give you the most bang for your buck. And, don't assume that once you have a good plan in place that when you renew you will automatically have the same hours. One national carrier, reportedly, let customers know their peak hours were going to change through their bill. The carrier asked for customers to call if they did not agree to the new terms, customers who did not call were considered to accept the new conditions. Don't assume that changes will appear on the first page, either. This carrier put the change information in the back of the bill, following the call summary!

**Look before you leap.** Since cell-phone carriers offer new plans almost weekly, chances are that within a few months of signing up, a new plan may be available that you like more than the one you started out with. The primary issue to consider when changing calling plans is that it may require an extension of your current contract. Ask how many months the change extends your contractual obligations. Often, it is at least one year.

**Read the fine print.** There are endless issues associated with calling plans. Be sure to read the fine print – don't simply take the sales associate's word for it. In the end, you are responsible for the contract you sign. Ask questions about add-on charges for caller ID, an itemized call summary each month, even how each call is counted. Does the carrier charge in intervals of 10 seconds or do you get charged for a full minute, even if you only use a fraction of it? Roam charges can drive up a bill very fast for those who travel often.

**Negotiate the term.** If you are contemplating changing carriers, it may be worthwhile to ask for a trial period where you "try out" the plan. Some may go for this, but others won't. If you are concerned, ask about the minimum monthly fee in case you decide to stick with your current carrier. In most instances, cell-phone carriers offer a \$19.99 security plan for those customers who only carry a phone in case of emergency. Generally, the minimum term for a new plan is one year, but carriers sometimes will offer deals to sweeten the pot so you will sign for longer than one year. Ask for all the offers and then make an informed decision.

**To return or not to return.** Ah, this is the question for those who may want to cancel a plan early or even at all. Is that freebie phone really free? Do you own it or do you have to return it at the end of the plan term? Find out up front so you don't end up paying more later.

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## Get Savvy About Cell-Phone Plans (cont.)

**Ask and ye shall receive.** Your monthly statement isn't likely to advertise the latest and greatest calling plan options – those offers are geared toward NEW customers. From time to time, call in to see if there's a better plan available for your calling habits. Just dial 611 on any phone to access customer service.

**Cash in on loyalty.** Cell-phone carriers love loyal customers. There are all kinds of loyalty discounts available – if you ask for them. From discounted phone upgrades to sharing the same great calling plan you signed up on (that may no longer be available) for your business partner. Phone discounts usually depend on a minimum term earned and generally require a term extension, but hey, if you love the company, why not?

Cell-phone issues and frustrations can hamper performance in a big way. Use these tips to minimize cell-phone headaches and maximize cell-phone approval ratings. When you are ready to tackle other performance issues, let us know; we can help.