

## Mar"key"t place

We continue our discussion on Stephen Covey's book, Seven Habits of Highly Effective People. We are on Habit 6: Synergize. Synergy means that the whole is greater than the sum of its parts. Covey applies this habit to marketing using the example of the owner and employees of a company forming the mission statement. By every "part" (person) being involved, there is a synergy created that bonds them. Everyone brings something to the table.



Instead of thinking win/lose, or compromise, you can reach a level of win/win with everyone having

participated in the process. We have observed this in our clients' businesses. When the owner/President is highly involved with the staff, asking for input, getting their ideas for solving problems, there is a synergy that comes from that team work. And it's not just about forming a "team." It's about the members being part of the process to make the whole a better whole.

It's the two heads are better than one cliché. Except instead of two people having different ideas, or three, or four people having different ideas, it's all the "parts" creating a new alternative idea; that's synergy.

Habit 7 next month.

## Quote

Why, you do not even now what will happen tomorrow. What is your life? You are a mist that appears for a little while and then vanishes.

—James 4:14

## Q&A

**Client:** How best do I utilize my new employee? (continued)

**BKC: Continue writing policies and procedures. Many times, the old procedure is no longer the most efficient procedure. Toyota has a term called, "Continuous Improvement." Encourage new and old staff to find a fresh look at procedures. Sometimes a new eye is the best thing for an old system. Continued next month.**



# KEEPING LEDGER

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## ACCOUNT-ABLE

We continue our series on the essence of accounting and how the double-entry accounting formula works.

When you make a deposit, you are selling something (a credit), and receiving money from the customer (a debit).

Your company's income and expenses are categorized into Accounts. The Accounts have to be assigned an account Type. These Types are: Assets, Liabilities, Equity, Income, Cost of Goods Sold (COGS), and Expenses. (We covered the various different Accounts that fall into these Types in last year's series. (Our newsletters are archived on our website: [www.business-keepers.com](http://www.business-keepers.com))).

The double-entry accounting formula states that for every account Type, there is what's called a "normal" balance, meaning the account Type has a positive balance in it. The "normal" balance for the account Types are as follows:

ASSETS: Debit balance

LIABILITIES: Credit balance

EQUITY: Credit balance

INCOME: Credit balance

COGS: Debit balance

EXPENSES: Debit balance

For example, a Checking account is an Asset Type, and has a normal debit balance (cash in the bank, not a negative balance). More next month...



## Calendar

Friday, April 6th

Good Friday

Sunday, April 8th

Easter

Tuesday, April 17th

Tax return and estimated  
tax pmt due