

## Mar"key"t place

Let us recapitulate our discussion on Stephen Covey's book, *Seven Habits of Highly Effective People*:

1) Be Proactive. This habit encourages us to take initiative and chose to act on principles rather than moods.  
2) Begin with the End in Mind. We should all write a mission statement for our business and ourselves. This will help us stay focused on what is important in the end, while we are going through the process of reaching that end.



3) Put First Things First. Organize your business and yourself in such a way that what is important to you

always gets done first.

4) Think Win-Win. It's not about one person, or one company winning. Business is about making your customer win and you win so no one walks away from the deal sore or empty handed.

5) Seek First to Understand, then to Be Understood. Let us listen to our customers and colleagues so we understand what their needs are before trying to formulate what they can do for us.

6) Synergize. Finding solutions using not just your way, or his/her way, but our combined way.

7) Sharpen the Saw. Renew your business, yourself, and your ideas and activity live all the other habits.

## Q&A

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

**BKC: Educate.** George David, CEO of United Technologies Corp. stated in a recent WSJ article (5/17/07) that education is the most powerful force in life. Educated people are more thoughtful, more widely read, more alert to change, and more confident.



UTC invests \$65 million a year in educating their employees.

# KEEPING LEDGER

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## ACCOUNT-ABLE

We continue our slow trek through the concept of "normal balances" in the Chart of Accounts. Last month we used the example that you had a \$225 sale to a customer and deposited the money in the bank. The first part of the double entry transaction was a Debit to the Checking Account. Now for the other side of the entry—the Credit. This part confuses a lot of people because they think of a credit as a refund back to a customer. A true credit isn't always a real accounting credit.

Let's go to our example: When you sell something and receive cash for it, you actually credit Sales. Sales, as the formula goes, has a normal balance of a credit. So, you are crediting a normal credit account. Just like in the debit+debit=higher debit balance. Same goes for credits. So if we had \$5,000 in sales to date for that year, and we added \$225 as a credit to



sales, we would have increased the account to \$5,225.00; (credit+credit =higher credit).

As strange as it may seem, we debited cash and increased the account, and credited sales and increased that account. Both accounts increased using opposite ends of the double entry; one was a debit and one was a credit. Amazing how the accounting formula works.

Hold on for next month's ride.

## Quote

These commandments that I give you today are to be upon your hearts. Impress them on your children.  
—Deuteronomy 6:6-7

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## Calendar

Friday, June 15th  
*Estimated Tax Payment DUE*  
Sunday, June 17th  
*Father's Day*  
Thursday, the 21st  
*Summer Solstice*