

Mar"key"t place

Networking has gotten a bad wrap over the years. However, if managed correctly it can glean you more business, help you find good vendors, and establish friendships. Networking by definition is a gathering of people who have a common interest and share thoughts and ideas with one another. Actually, we all have networks in our life already. Our families are a network of blood related people, our friends are a network of like-minded people, etc.



If you want your company to grow you need to learn to be comfortable talking with others about your business

and listen to what they have to say about their business. Your source for new customers is not just from walk-ins, or ads from the yellow pages, or from repeat customers. A large source of new customers is from word of mouth using a networking system.

We're going to start this networking series by explaining the different kinds of groups, then how they work, and lastly, how you can make it best fit your needs.

First, you have to determine what kind of networking group with which to belong. Here are a few networking groups to consider: city chambers of commerce, industry specific groups, and "lead" groups. Next month: Details on the groups.

Quote

So is my word that goes out from my mouth: it will not return to me empty, but will accomplish what I desire and achieve the purpose for which I sent it.

—Isaiah 55:11

Q&A

Client: How much new employee training should I anticipate?

BKC: Make sure you hire qualified employees. The old saying, "You get what you pay for" applies here as well. Don't hire someone below your standard qualifications to save a few bucks; hire the right candidate for the job at the right price and you will save money in the long run because of what the candidate already brings to the job.



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ACCOUNT-ABLE

Our journey through the accounting theories brings us to another exercise of concepts on the "normal balance" of accounts within the Chart of Accounts.

We covered how a sale was handled if it was directly deposited. Our next exercise is to delve deeper and include a second dimension: A sale whose funds are collected at a later date; this is called Accounts Receivable. First step: You still record the sales as a credit to Income. But instead of recording the collection of funds as a debit to Checking Account, you instead record the debit to Accounts Receivable. You cannot record the debit to the Checking Account because you have not yet received the money into the bank.

Notice that the Checking Account and the Accounts Receivable both required a debit?

That's because they are both Asset accounts and the

normal balance for an asset account is a debit. Therefore, the formula works again: Debit Accounts Receivable and it will increase the account because a debit+debit=higher debit.

Second step: You now receive payment from the customer. You do not credit Income; that would be entering the sale! You debit Checking because you did receive the money and a debit to checking increases the account. Why? Because Checking is an asset and the normal balance to an asset is a debit. So a debit+debit=higher debit.

So where goeth the credit?



Calendar

Wednesday, July 4th
Independence Day (observed)