

Mar"key"t place

Last issue we opened a new series on networking to build your business. This month we discuss three types of networking groups. Chambers of Commerce: These networking groups are established by just about every city out there. It is a non-profit organization that was created to improve the relationship of the businesses within that city. The common interest is that most of the attendees work/play/live in that city.

Industry specific groups: This would be managed by an organization such as American Medical Association for doctors to network. Sleeter Group is a



network of Quickbooks advisors, and so on. The advantage to these types of groups is that you can talk peer to peer about issues within your type of business such as technological advancements, personnel management, as well as swap "war stories." There is a wonderful sense of camaraderie among these groups.

Lead groups: a group that falls into this category would be BNI (Business Network International). The common interest for this group is to give and receive business leads. There is camaraderie but mostly related to seeking and passing out potential client's contact info.

Next month: what happens at these networking meetings.

Quote

I can do all things through Christ who strengthens me.

—Philippians 4:13
(In memory of Edna Pitino;
her favorite verse.)

Q&A

Client: How long should it take to train a new employee?

BKC: It depends on your training system. Toyota created Toyota University to train all employees on the techniques and philosophies of their company.



McDonalds University does the same thing for new franchise owners. If you don't have a system, then plan for a long training period and start systemizing through that process.

KEEPING LEDGER

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Consulting**

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**5901 Warner Avenue, #70
Huntington Beach CA 92649
(714) key-8-key phone
(714) key-8-535 fax**

www.business-keepers.com

ACCOUNT-ABLE

As you recall, our accounting theory trek has led us down the path of how the formula works for "normal balances" of each account in the Chart of Accounts.

Our entry last month was the payment from a customer paying on a sale from a prior period, this is called Accounts Receivable. We recorded the payment as a deposit against checking (that was your debit). Now comes the time to record the credit. But we can't record the credit to sales again; that's double entering the sales! Instead you credit (drum roll, please)...Accounts Receivable. Accounts Receivable is an asset and so is Checking (bank account), so how can we be debiting an asset and crediting an asset? It's the formula. You cannot affect the Profit & Loss twice (i.e., record the sales a second time; remember you already recorded the sale when you sold the product/service. You debited A/R and credited sales).

So you debit checking (debit+debit=higher debit), thus increasing your checking account by the A/R money received. You credit A/R. A/R is an asset and has a normal debit balance. What happens to a debit balance when you credit it? It decreases. Debit - credit = lower debit balance. It's important to remember what the normal balance is for the different types of accounts on the Chart. If you made an error and credited checking and debited A/R, you'd be decreasing the wrong asset account.



Calendar

Summer

Take time off with family and friends