

Mar"key"t place

We conclude our series on maintaining marketable relationships with your vendors.

We have been talking about the squeaky wheel vendor that constantly asks for payment. Maintaining your cash coming *in* (A/R) and all the bills you need to pay *out* (A/P) provides a timeline for paying bills:

1. Calculate how much is needed each week to shell out for squeaky vendors. Know your cash flow needs at least 7 days before cutting checks.

2. Never over-commit yourself to making a payment. If you truly don't have the money to pay the vendor anything, tell them. It's better to be up front than to not keep a payment promise.

3. Call the vendor first. Don't wait for them to call you. Even calling a few days before the promised payment to let the vendor know you *are* mailing the check, will give your vendor relations warm fuzzies. Also, call if you *can't* make a promised payment and give them a new promised date. Note: you can only do this once, then you lose face after that.

4. Don't get zealous and pay one squeaky wheel off to silence it. This causes you to ignore other wheels. Be consistent and pay something to *all* the squeaky wheels.

A healthy vendor relation in downtimes can be your best marketing strategy to turn vendors into treasured customers.

Quote

To whom, then, will you compare God? What image will you compare him to?

—Isaiah 40:18

Q&A

Client: What benefits can I offer to retain employees (continued)?

BKC: More on Training.

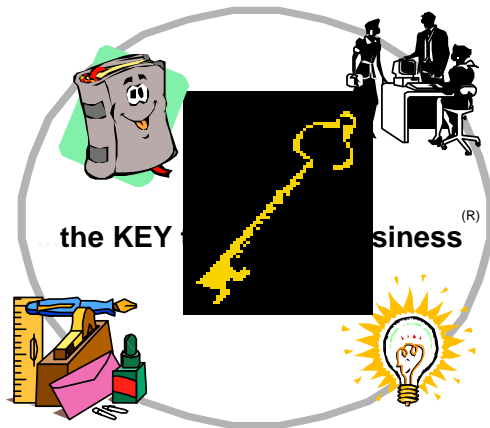
Attend the conference with your employee. This gives you an opportunity to learn together, fellowship with others in your industry, and strategize how best to use the material you are absorbing.

At conferences there are opportunities to network with vendors and speakers; a valuable experience for your employee.



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BUSINESS-KEEPERS CONSULTING

...the KEY to keeping business.

5901 Warner Ave, #70

Huntington Beach CA

92649

(714) KEY-8-KEY phone

ACCOUNT-ABLE

There are a few ways to calculate if an employee is working at capacity as we discussed last month. The first way is simple billable vs non-billable time. As we discussed last month, you want to shoot for 85% or more of employee time as billable. It's a simple calculation to take the hours you can bill for your employee's time and divide by total hours the employee was actually paid.

It's critical that the employee logs all of his/her time on a record log/sheet, making sure they list their actual activity so you can transfer that detail to the customer's invoice. (Quickbooks has a nice timesheet feature for this; call our office for details).

If the employee's percentage of billable work is less than 85%, he/she is not at capacity.

The second way to calculate capacity of employee time is not based on billable-time type of businesses.

Rather it is based on invoicing customers for product purchased. In this model we are interested in capturing the income from sold product vs the labor related *directly* to that income.

We will continue this discussion next month and include a refresher on different types of labor of a company.



Calendar

Monday, October 12th

Columbus Day

(sometimes observed)

Thursday, October 15th

2008 Extended tax returns due

Sunday, November 1st

Daylight Savings Time Ends

(Set clocks back one hour)

The Sound of Business...

We finish our trek in this series through Sales Tax processing. Though it seems cumbersome, Quickbooks can be set up to help you manage the calculations. Our last discussion on this issue is *when* to pay the sales tax you have collected.

This “when” question is dictated by State Board of Equalization (SBE) and is established at the time you apply for the resale permit. It is all based on volume. If, when you apply, you indicate on the application that you project to sell a large volume of taxable items, the SBE will require you to file a sales tax return monthly. Less volume, you file quarterly, and minimal volume, you file annually (on July 31st, for the 12 months ended June 30th 20XX—the state’s fiscal year end). The return is always due the end of the month following the end of the required filing period.

You are not able to change your company’s filing status, only the SBE can do that. SBE looks at your record of filed tax returns and can change the status to more or less frequency, depending, again, on volume.

There is one more type of filing, and that is Pre-payment status. Quite often, to save on time and paper, SBE will place a company on quarterly tax return filing, but require the company to make monthly pre-payments 24 days *after* a month, based on projected sales tax already collected for each proceeding month in the quarter. The exception is the last month of a quarter, which is just tacked on as a balance owed with the quarterly return.

For example, you would pay an estimate (at least 90% of actual) pre-payment on August 24th for July’s sales tax collected. Again, on September 24th, you would pay another prepayment for August’s sales tax collected. Then on October 31st, you would pay the balance of the quarter with the tax return itself. And such is the life of sales tax processing.



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5901 Warner Ave, # 70
Huntington Beach CA 92649
www.business-keepers.com
(714) KEY-8-KEY



PAPERLESS NEWSLETTER: Sent via email. Please feel free to read and pass on this newsletter to any of your associates and friends. As always, we welcome questions and comments to rhonda@business-keepers.com.

Important Web-sites:

www.irs.gov
www.edd.ca.gov
www.boe.ca.gov
www.ftc.gov
www.katchtheday.com
www.business-keepers.com
www.grover.org

Thanks to our sponsors for their support of our annual Oct. CHOC Walk

Katch the Day

October, many times, can be almost as hot as September in Southern California. There is an alternative to the heat: Central California. We recently re-discovered this land between the bustling OC and the lights Northern California. We start a five part KTD series on this area of wonder.



The first town we want to highlight is Grover Beach, named after the founder, DW Grover who bought the land from Isaac Sparks, who founded Pismo Beach (covered later in this series). What is there to do in this town

of 13,000? It is the “gateway” to Pismo State Beach, which includes Pismo, Grover, and Oceano beach (also discussed later in series). Off of the 101 (about 90 miles north of Santa Barbara), you exit Grand Avenue and head west straight **to** the ocean. Grand takes you through the heart of Grover Beach, past the State Beach paying booth, and *onto* the sand!

We surreally drove onto the sand because the ground of the shoreline is so hard that it can withstand the weight of vehicles. There is the ocean, light through traffic, then soft sand to park your chairs and relax on the beach next to your vehicle. You could actually drive *into* the ocean, but it’s *not* recommended.

Three other interesting points about this beach: 1) the waves are very small, 2) the water is cold, because it is central California, and 3) the air temperature is usually not over 70 degrees. What do these three add up to? Clear waters and sand. It does not attract the sunbathers or surfers that So Cal beaches pull in. The strange result is a solitary beach with people reading books, playing in the shallow water with their small kids, and having little bonfires right in the sand (no firepits needed). The picture shown is our Business-keepers Bronco on the sand with a 15mph sign in the background. Ocean is not shown, but picture is taken from shoreline looking inland.



KATCH THE COOL PARK-ON-THE-SAND DAY AND LEAVE THE BUSINESS-KEEPING TO US!