

## Warm Welcome To New Business Clients

# Welcome!

Beth Magnetti of **Planet Poodle** located in Wall, NJ

Michael Magnetti of **Dog Training & Handling** located in Wall, NJ

Mark Beck of **The Boulevard Group Inc.**, located in Long Valley, NJ

Masahiko Fukano of **Eat More Local Company Inc.**, located in Edgewater, NJ

Dr Joseph Paul of **Paul Family Chiropractic Inc.** located in Princeton, NJ

Welcome aboard all. We are honored to have you as our client.

### Turnabout's Fair Play

A doctor was having trouble with the plumbing in his home. The pipes in his bathroom were starting to leak. Gradually the leak became bigger and bigger. Finally, at about 2 a.m., the doctor decided it was necessary to call his plumber despite the late hour.

The plumber answered the phone with a gruff voice, and it was apparent that he was annoyed at being called upon at such an hour.

#### The Omar Group, CPA

*"Accounting Guidance in Plain English That Will Grow Your Business and Improve Cash Flow and Profitability"*

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"Geesh," he said to the doctor, "do you think you could have waited till a decent hour to call?"

"Well," the doctor answered, "You never hesitate to call me in the middle of the night with a medical problem. I have a plumbing emergency! What else am I supposed to do?"

"You're right," conceded the plumber. "Tell me what the problem is."

The doctor told him about the leak in the bathroom.

"Tell you what to do," the plumber said. "Take two aspirins every four hours and drop them down the pipe. If the leak hasn't cleared up in the morning, call me at my office."

### Business Question/Tip:

**Q.** I lived in a home as my principal residence for the first 2 of the last 5 years. For the last 3 years, the home was a rental property before selling it. Can I still avoid the capital gains tax and, if so, how should I deal with the depreciation I took while it was rented out?

**A.** If, during the 5-year period ending on the date of sale, you lived in it as your main home for at least 2 years, you can exclude up to \$250,000 of the gain (\$500,000 on a joint return in most cases).

However, you cannot exclude the portion of the gain equal to depreciation allowed or allowable for periods after May 6, 1997. This gain is reported on Form 4797. If you can show by adequate records or other evidence that the depreciation allowed was less than the amount allowable, the amount you cannot exclude is the amount allowed.

## Straight Talk About Small Business Success

*Tips and Trends For The New Jersey Small Business Owner*

By Salim Omar, CPA. The Leading Authority For Small Businesses in New Jersey

(732) 566-3660 • Email: Salim@OmarGroupCPA.com • Issue 27, Fall 2007 Issue

49 Cliffwood Ave, Suite 200, Cliffwood, NJ 07721



Salim Omar, CPA

### Welcome

*Happy Thanksgiving!*



It's the time of the year to take a look at one's Gratitude List. Mine is a long list and it starts with YOU, my client. I feel my clients may very well be the best clients. I appreciate your involvement, initiative, implementation, respect for my time, concern for me personally, and much more. I hope your customers are as good to you as you are good to me. I hope you've had as good a year as mine and that you too have much to say thanks for this Thanksgiving.

Second, I'm grateful to the outstanding team of employees that I have working with me. There is a great deal of "behind the scenes" work these folks put forth to make sure our services are delivered on time and with the utmost precision and care.

I can't forget to say thanks to my family who whole-heartedly support and stand by me in my endeavors.

And last, but not the least, I am deeply grateful to god for his cornucopia of blessings. I recently came upon this quote from an anonymous writer: *Gratitude is from the same word as "grace," which signifies the free and boundless mercy of God.*

So along the line of thanks and gratitude, here's another one of my "Straight Talk" small business newsletters packed with useful and practical information that you can apply to your business to boost profits and cash flow.

## FREE

Special Offer

Please see flyer/insert with limited time free offer for one-on-one meeting with Salim Omar. If you'd like to schedule a meeting or request the free information packet that contains a wealth of information pertaining to your small business, please complete the flyer and fax it to (732) 566-3565.

### Life Is Often The Best Teacher

The vicissitudes of life and the workplace are sometimes our best teachers. Often the lesson comes from words spoken at the right time and in the right way from someone in the know which can lead us to a solution we could not see before we experienced the difficulty.

Many philosophies and religions postulate that life usually teaches what we need to know. Keeping an open mind is important when you are struggling with a particularly difficult problem. A person, event or experience can put you in the realm of learning if you stay open to what you can learn. Hence the adage, *"When the student is ready, the teacher will come."* So don't be intimidated when a problem arises. Instead, ask yourself what can be learned from the situation at hand.

Case in point: J.K. Rowling, author of the phenomenally popular Harry Potter series of children's books, was once fired from a secretarial job for writing creative stories on her computer. Rowling rallied by using her severance pay to beat rejection and launch her first Harry Potter book. Today, she's a billionaire. A great lesson in taking things in stride and moving on.

### Small Businesses Churn It Out

I was recently surfing the Internet and came across an interesting statistic. According to the Small Business Administration, small firms represent about 99.7 percent of all employer firms. Here are some other facts about small businesses I thought you'd find interesting:

- They employ half of all private sector employees.
- They pay more than 45 percent of total U.S. private payroll.
- They have generated 60 to 80 percent of net new jobs each year for the past decade.
- They provide 13 to 14 times more patents per employee than large patenting firms.
- They employ 41 percent of high-tech workers, such as scientists, engineers and computer workers.
- 53 percent are home-based and 3 percent are franchises.

## How To Cook A Turkey—Not!

by Mrs. Geraghty's kindergarten class

NOTE: Mrs. Geraghty will not be responsible for medical bills resulting from use of these recipes! Here are some ways her kids suggested cooking the main event on Turkey Day:



### Russell

You cut the turkey up and put it in the oven for 10 minutes and 300 degrees. You put gravy on it and eat it.

### Jeremy

You buy the turkey and take the paper off. Then you put it in the refrigerator and take it back out and cut it with a knife and make sure all the wires are out and take out the neck and heart. Then you put it in a big pan and cook it for half an hour at 80 degrees. Then you invite people over and eat.

### Meghan H.

You cut it into 16 pieces and then you leave it in the oven for 15 minutes and 4 degrees. You take it out and let it cool and then after five minutes, then you eat it.

### Danny

You put some salt on it to make it taste good. Then you put it in the oven. Then you cook it for an hour at 5 degrees. Then you eat it.

### Brandon

First you buy it at Fred Meyer. Then you cut it up and cook it for 15 hours at 200 degrees. Then you take it out and eat it.

### Irene

Put it on a plate and put it in the oven with gravy. You cook it for one minute and for 100 degrees. Then it's all cooked. Your mom or dad cuts it and then eat.

### Moriah

First you cut the bones out. Then you put it in the oven for 10 hours at 600 degrees. Then you put it on the table and eat it.

### Vincent

You cut and put sauce on it. Then you cook it for 18 minutes at 19 degrees. Then you eat it with stuffing.

### Jordyn

First you have to cut it up and put it on a plate in the oven for 9 minutes and 18 degrees. Then you dig it out of the oven and eat it.

### Grace

First you add some salt. Then you put it in a bowl. Then you put brown sugar on it. Then you mix it all together with a spoon and then you add some milk and mix it again. And then you put it in a pan. Then you put it in the oven for 15 minutes and 16 degrees. Then you take it out of the oven and then you eat it.

### Alan

First you shoot it and then you cut it. And then you put it in the oven and cook it for 10 minutes and 20 degrees. You put it on plates and then you eat it.

**My comments:** It appears Brandon was the closest to a reasonably descent meal. The rest of the families....yikes, they just may have to resort to the nearest MacDonalds restaurant

## Health Care Hassles

A woman called a local hospital and said, "Hello, I'd like to talk to the person who gives patient information, please."

She was transferred and she said, "I'd like to find out if a patient is getting better, doing as expected or getting worse."

The voice on the other end of the line said, "What is the patient's name and room number?"

"Sara Finkle, in room 302," she said.

"You'll have to talk to a nurse, hang on and I'll connect you," the voice said.

"Nursing Station 4B. How can I help you?"

"I'm trying to find out the condition of Sara Finkle in room 302."

"Just a moment. Let me look at her records. Oh, yes. Mrs. Finkle is doing very well. In fact, she's had two full meals, her blood pressure is fine, and her blood work just came back as normal. She's going to be taken off the monitor in a couple of hours, and if she continues this improvement, Dr. Cohen is going to send her home Wednesday at noon."

"Thank God," the woman on the phone said. "That's wonderful! That's fantastic! That's great news!"

The nurse said warmly, "From your enthusiasm, I take it you must be a close family member or a very close friend."

"Not exactly. I am Sara Finkle in room 302! And nobody here tells me a thing!"



## What I Am Reading This Month

**The Ultimate Sales Machine: Turbocharge Your Business with Relentless Focus on 12 Key Strategies** by *Chet Holmes*

Chet offers sound, yet simple, business advice to grow your business stronger than ever!

**Asset Protection: Concepts and Strategies for Protecting Your Wealth** by *Jay Adkisson & Chris Riser*

The book provides an excellent introduction to and discussion of the many facets that come under the heading of "asset protection." Watch out though, it's not a particularly easy read for the layperson.

## Quotes of the Month

### On The Omar Group

Salim, Dr. Mike and I would like to thank The Omar Group for its professionalism. The Omar Group is a class act organization that does business like business should be done. We thank and commend your ethics and business practices. Thank you.

—*Dr. Raj Gupta & Dr Michael Failla*  
*Garden State Spine & Pain Institute LLC*  
*Oakhurst, NJ*

### On Excellence

If people knew how hard I had to work to gain my mastery, it wouldn't seem so wonderful.

—*Michelangelo*

Give me six hours to chop down a tree and I will spend the first four sharpening the axe.

—*Abraham Lincoln*

### On Questions

A prudent question is one half of wisdom.

—*Francis Bacon*

### On Accomplishment

It's not that I'm so smart, it's just that I stay with problems longer.

—*Albert Einstein*

## Common-sense Practices For Entrepreneurs

When it comes to owning a small business, there really aren't any quick fixes. Here are a few common-sense reminders for your business:

- **Continuous improvement.** Always asking yourself if what is being done is the right thing and if it is, is it being done in the right way?

- **Laughter and fun.** High performers often have highly developed senses of humor. They want to have fun, and they're playful in their lives.

- **Alignment between who you really are and where you're taking your team.** Whoever you are, your team will be at least partially a reflection of that.

- **Taking action.** You act your way into new ways of thinking more easily than you think your way into new ways of acting.

- **You blaze your own improvement path.** There is not a right or wrong path; the most important thing is that you have an improvement plan or process. In Chapter 3 of my book "Straight Talk About Small Business Success In New Jersey" I discuss this in further detail and offer valuable tips on how to keep your plan current. If you'd like to obtain a copy of the book, you can do so on [www.OmarGroupCPA.com](http://www.OmarGroupCPA.com).

## Is Cash King?



It is a common realization amongst small business owners that cash flow is the lifeblood of very business. While there are various methods to inject cash into your business, one of the least understood ones is a concept referred to as factoring. I had my good friend and cash flow enhancement expert Ron Gruber write a short article for readers of this newsletter on the subject. Here it is.

## Two Effective Ways to Improve Cash Flow

*By Ron Gruber*

Sales are strong, but you could be doing more if you weren't constrained by cash flow. You know where to invest next, whether it be in equipment, staffing, advertising, inventory, etc... to get your business to the next level. Things are great on paper, yet the business always seems to consume cash faster than it gets collected. And you've exhausted your ability to obtain additional funds from traditional sources.

Meanwhile, you've done the work, delivered the product or service, sent the bill and now you're ready to... continue waiting for payment? Yes, that's right - wait. Because you can't pay your own employees, vendors, creditors and suppliers with unpaid invoices sent to your customers. And you can't invest working capital in your business when it's tied up in that non-performing asset called Accounts Receivable.

So what can you do about those unpaid customers invoices? Two things:

First, assuming your customers are honest, credit worthy businesses, you could sell those invoices. This is called accounts receivable financing or "factoring". A "factor" will buy the customer receivables, essentially converting the invoices into immediate cash for the business. This provides an instant source of working capital to the business without taking on any additional debt in the process.

Alternatively, if your customers have credit issues themselves or do not generally pay their bills on time, you may suggest to them to factor their own customer receivables. You'll not only end up looking like a hero to them but you'll get paid what you are owed quickly with funds your customers receive from selling their invoices.

*Ron Gruber is the Founder and President of Crossroads Capital, LLC a NJ based factoring company that specializes in helping small businesses obtain working capital. He can be reached at (732) 264-8203 or online at [www.crossroads-capital.com](http://www.crossroads-capital.com)*