

## Warm Welcome To New Business Clients

# Welcome!

Dr Raj Gupta and Dr. Mike Faila of **Garden State Spine & Pain Institute LLC and Health and Fitness LLC** located in Oakhurst, NJ

John Sweeney and Ray Pichler of **Jersey Elevator Inc.** located in Aberdeen, NJ

Dr Gina Suh of **Precise Periodontics & Implantology LLC** located in East Brunswick, NJ

George Kiraz of **Gorgas Press LLC** located in Piscataway, NJ

Joyce Bengyel of **Tastefully Yours** located in Matawan, NJ

Carmine Marino of **TVT Agency LLC** located in Shrewsbury, NJ

George and Beth Miller of **MSC Mobile Repairs LLC** located in Long Valley, NJ

## Do You Have A Tough Accounting / Tax Question You Want Answered?

I love hearing from my small business clients and friends who enjoy reading my monthly newsletter. I'm always looking to answer pressing questions you might have about anything relating to small business. If you have a question, tip or idea, please feel free to call me at (732) 566-3660 or email me at Salim@OmarGroupCPA.com. Perhaps I'll feature you in a future issue!

### The Omar Group, CPA

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

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## Did Your Mother Really Say That?

Here are a few things we bet your mother would never really say:

- "How on earth can you see the TV sitting so far back?"
- "Yeah, I used to skip school a lot, too."
- "Just leave all the lights on ... it makes the house look more cheery."
- "Let me smell that shirt — Yeah, it's good for another week."
- "Go ahead and keep that stray dog, honey. I'll be glad to feed and walk him every day."
- "Well, if Timmy's mom says it's OK, that's good enough for me."
- "The curfew is just a general time to shoot for. It's not like I'm running a prison around here."
- "I don't have a tissue with me ... just use your sleeve."
- "Don't bother wearing a jacket—the wind-chill is bound to improve."

## 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 25, 2007 New Year

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## Tracking The Financial Health Of Your Business

In a previous issue of this newsletter, I shared with you that I think of business as a sport. When you watch any sports on TV or in the stadium, you'll see a score on the board. It serves an integral role for the sport that is being played. The same applies for business. I see it as one of the big reasons why many small businesses don't achieve the levels of success they can and should is because they don't keep score. And when they do keep score, they don't take the time or have the expertise to meaningfully decipher it.

If you think about it, the reason to keep score is really very simple; what gets measured accurately gets managed and what gets managed gets improved. And that is how extraordinary businesses are created, through a process of constant improvement. In the 70's, the Japanese coined this process "kaizen."

Few people spend enough time or have the know how to analyze their score to understand what parts of their business are most profitable vs. least profitable. To understand what products and services, what customers/clients/patients, what geographic territories, etc, etc are most profitable vs. least profitable.

Many business owners will allow low profit stuff consume the same resources as high profit stuff. They justify continuing to feed what should be shot and put out of its misery. They throw away money in overly fancy offices, addresses, staff and stuff to impress people without profitable purpose.

Here is a gem, which comes in the form of two questions that I urge you to ask yourself when you are looking to allocate time, and resources in 2007. The questions are:

- How does this contribute to net profit?
- How much does this contribute to net profit?

All other benefits are fine and dandy, as extras, and only to be considered after asking and answering the above two questions.

### IMPORTANT ANNOUNCEMENT:

I have five free slots allotted during the next 60 days for business

owners looking to better track the financial health of their business by keeping score. During the 45 minutes together, we will discuss what score you should keep in your business and how to calculate it. If you would like a slot, I suggest you contact me ASAP. This newsletter is received by 1,500+ folks and I know these won't last long. Send me an email at Salim@OmarGroupCPA.com with the subject line: I am ready to keep better score, or call (732) 566-3660.

## HAPPY NEW YEAR!

*On behalf of my staff and myself,  
I want to offer you our warmest  
greetings and best wishes for the  
New Year.*

## Quotes of the Month

### On people

When dealing with people, let us remember we are not dealing with creatures of logic. We are dealing with creatures of emotion, creatures bristling with prejudices and motivated by pride and vanity.

—Dale Carnegie

### On merit pay

My husband once worked for a company that had a merit pay system. After six months they told him that he owed the company money.

—Phyllis Diller

### On wisdom

To acquire knowledge, one must study; but to acquire wisdom, one must observe.

—Marilyn vos Savant

## Is Your Business Running You?

Hard Business Lessons Shared By A Seasoned Veteran

I recently had the special privilege of interviewing Jim Santella, a NJ based small business expert.

**Q: Hello Jim, I appreciate you taking the time for this interview. Before we get into the specifics, tell the readers about yourself and what you do?**

**A.** My name is Jim Santella. I am the president of Santella Business Advisors and an Executive Associate of the Institute for Independent Business (IIB). In a nutshell, I help business owners increase their profits and improve their quality of life.



Jim Santella,  
Business Advisor

The IIB is a global, not-for-profit research, training and accreditation organization that has enabled thousands of businesses to gain access to a variety of areas, such as, financing, debt reduction, increasing sales, profits and overall company performance.

**Q: Jim, what would you say is the one BIG mistake you see small business owners make when it comes to running their small business?**

**A.** The most frequently asked question by business owners is “why do you see businesses failing”. The answer is that they had lost their passion and vision. The day-to-day grind had worn them down to the point where they dreaded going to work and as a result, they were letting their businesses fall apart right before their eyes. They spent little or no time planning

**Q. That is so true. I call it having “double-vision,” the ability to work on the day to day while staying focused on the bigger picture, the vision, the “dream.”**

**What have been the big influencers in your life or business? How did these impact you?**

**A.** There were three major influencers in my life and business career.

First, in my early business years I was a “control freak” that believed that a task could only be done correctly if I did it myself. Of course, this is ridiculous situation unless I expected to run a one-person business. It didn’t take me long to change my strategy and work with and hire the best people I could find.

Second, I learned to manage from the bottom up rather than the top down. In small business this is particularly important. Make everyone part of the team. Listen to how they think operations could be handled better. Then make a decision.

Lastly, my time in the United States Marine Corps helped me understand and manage people. I learned to be open minded and not judgmental. There is a saying in management that “each person is paid in their own currency”. This does not relate to money but rather to the way to manage people to their individual potential. My experiences helped me to be a better manager.

**Q. Jim, what has been your most successful client case that you’ve worked on?**

**A.** The most successful client was a company run by a person who could not, for personal reasons, go to college to learn the business basics. However, he was at the top of his class as a skilled tradesman in his profession. He had good business sense but not all the skills

to take his business to a higher level. I provided him with the “business tools” and my experience to create a game plan and help him stick to it. It took some time to change his “business thought process” but eventually he succeeded in substantially improving his business and having his life back.

**Q. What about your worst client case?**

**A.** My worse client was a business owned by two older gentlemen that had not provided for their retirement. They had a marginally successful business with great potential. Although they told me that needed help, they would not change any of their “business behavior”. They were “old school” and resisted any changes in their business practices. After a brief period I told them that were wasting their money on advice they would not even consider. We parted as friends. To make a long story short their business wilted on the vine.

**Q. What’s been the best business book you’ve read and why?**

**A.** It’s hard to pick the best business book I have read because they all contribute in one way or another. The most recent book that has made a contribution is “Go for No” by Richard Fenton. This book claims that going for no is “the ultimate strategy for failing your way to success”. It sounds ridiculous but the book makes a great deal of sense and it definitely worth reading.

**Q. It seems like there are an incredible number of people providing coaching services these days. How does one go about choosing a coach to work with?**

**A.** I am not an advocate of pure coaching. I am a hands on trusted advisor that is in the trenches with the owner every week. I spend from 2 to 4 hours a week (plus research and preparation time) with each client dealing with their problems and concerns and keeping them on track with the plan that we devise together.

To answer your question, I would say choose an individual who you believe truly cares about you and your business. Someone you are comfortable with and can trust. I believe that “coaching” is not “teaching”. It is a give and take process that results in an improved business and personal life.

**Q. Any special words of wisdom before we end the call.**

**A.** There is a plaque that has been hanging in my office for over 20 years. It is a quote from President Calvin Coolidge. When I was about to pull the last strand of hair from my head I would take a deep breath and read it out loud. **PERSISTENCE.** Nothing in the world can take the place of persistence. Talent will not; nothing is more common than unsuccessful men with talent. Genius will not; unrewarded genius is almost a proverb. Education will not; the world is full of educated derelicts. Persistence and determination alone are omnipotent.

**Q: Jim, I want to thank you for taking the time today! You’ve have been very generous in sharing your insights. Any special offers for readers of this newsletter or contact information if they want to reach you?**

**A.** The most generous and valued offer for your readership is a free two hour meeting to discuss any aspect of their small business. As you know, my time is very limited so I will take up the first ten business owners who respond to my free offer. I can be reached by phone (732) 583-8915 or email at JimSantella@iib.ws

## What I Am Reading This Month

**- Trump-Style Negotiation: Powerful Strategies and Tactics for Mastering Every Deal** by George H. Ross

George Ross explains the tactics that took Trump to the top and how anyone can use those same tactics and strategies to get ahead in business. I found this book to be a worthwhile read.

**- Customer Satisfaction Is Worthless, Customer Loyalty Is Priceless: How to Make Customers Love You, Keep Them Coming Back and Tell Everyone They Know** by Jeffrey Gitomer

Starting this year, I am making this book mandatory reading for all my new employees. If you lately haven’t read a book on customer loyalty and service, I recommend you get this one.

**- Less Is More: How Great Companies Use Productivity** by Jason Jennings

I am half way into this book. Jennings conclusively proves a number of truisms: nothing improves worker loyalty and productivity like telling them the truth; don’t hire people you’ll have to lay off in a year; and don’t lose focus.

On the subject of building a great company, I liked the book “**Good to Great**” better.

**- The Marketing Gurus: Lessons from the Best Marketing Books of All Time** by Chris Murray

Truth be told, I didn’t get to this book yet. As I read the other ones, it sits on my bed-side table, staring and quietly wondering when I am going to make my way to it.

## A Woman And God

A woman named Shirley was from Beverly Hills. One day, she had a heart attack and was taken to the hospital. While on the operating table, she had a near-death experience.

Shirley saw God and asked, “Is this it?”

God said, “No, you have another 30-to-40 years to live.”

Upon her recovery, Shirley decided to stay in the hospital and have collagen shots, cheek implants, a face-lift, liposuction, and breast augmentation. She even had someone dye her hair. She figured since she had another 30-to-40 years, she might as well make the most of it.

Shirley walked out of the hospital lobby after the last operation and was killed by an ambulance speeding up to the hospital.

She arrived in front of God and said, “I thought you said I had another 30-to-40 years!”

God replied, “Shirley? I didn’t recognize you!”

## Best Excuses When Caught Sleeping At Your Desk

1. They told me at the blood bank this might happen.
2. I wasn’t sleeping! I was meditating on the mission statement and envisioning a new paradigm!
3. I was testing the keyboard for drool resistance.
4. Actually, I’m doing a “Stress Level Elimination Exercise Plan” (SLEEP) I learned at the last mandatory seminar you made me attend.
5. I was doing a highly specific yoga exercise to relieve work-related stress. Are you discriminatory about people who practice yoga.
6. Darn! Why did you interrupt me? I had almost figured out a solution to our biggest problem.
7. The coffee machine is broken...
8. Someone must’ve put decaf in the wrong pot.
9. Boy, that cold medicine I took last night just won’t wear off.



## Looking For The Perfect Getaway? Think ‘unique’

Looking for an interesting getaway? How about checking out some of these “unique” hotels?

- The “**Treehouse**” cottage, part of the Winvian hotel (which has other unique digs as well). The Treehouse is anchored to three trees and sits perched 35 feet above ground.
- **Quebec’s Ice Hotel**, which each winter is made out of 15,000 pounds of snow and 500 pounds of ice. While you’re there ask if you can sleep in the sleigh carved out of ice.
- **The Jules Undersea Lodge** in Key Largo, Fla., where you have to scuba down 21 feet to reach your room.
- Opening in 2009, you might want to plan to spend your vacation in the Yellow Sea. Yes, we said in. That’s when **HydroPalace** in Qingdao, China, will welcome its first guests. The 200-room hotel will be anchored in the sea.

## Business Question/Tip:

**Q. I received a Form 1099-MISC from a company that paid all workers this way. Will my income go on line 21 of Form 1040 as Other Income or on Schedule C?**

**A.** Do not report the income reported on Form 1099-MISC, box 7 on line 21 if the income is self employment income. If your income was reported to you on a Form 1099-MISC, in box 7, the company has treated you as an independent contractor and your income is treated as self-employment income. You will need to report that income, and any related expenses, on Form 1040, Schedule C, Profit or Loss from Business, or you may qualify to use Form 1040, Schedule C-EZ, Net Profit from Business. You will also need to use Form 1040, Schedule SE, Self-Employment Tax to compute and report your social security and Medicare tax. You may also need to make quarterly estimated tax payments. You would use Form 1040-ES, Estimated Tax for Individuals, for this.