



Turn Your Business into a Profit Machine

Specific ways to cut costs, increase cash
flow, and grow profits

TAKE YOUR BUSINESS INTO THE NEXT CENTURY

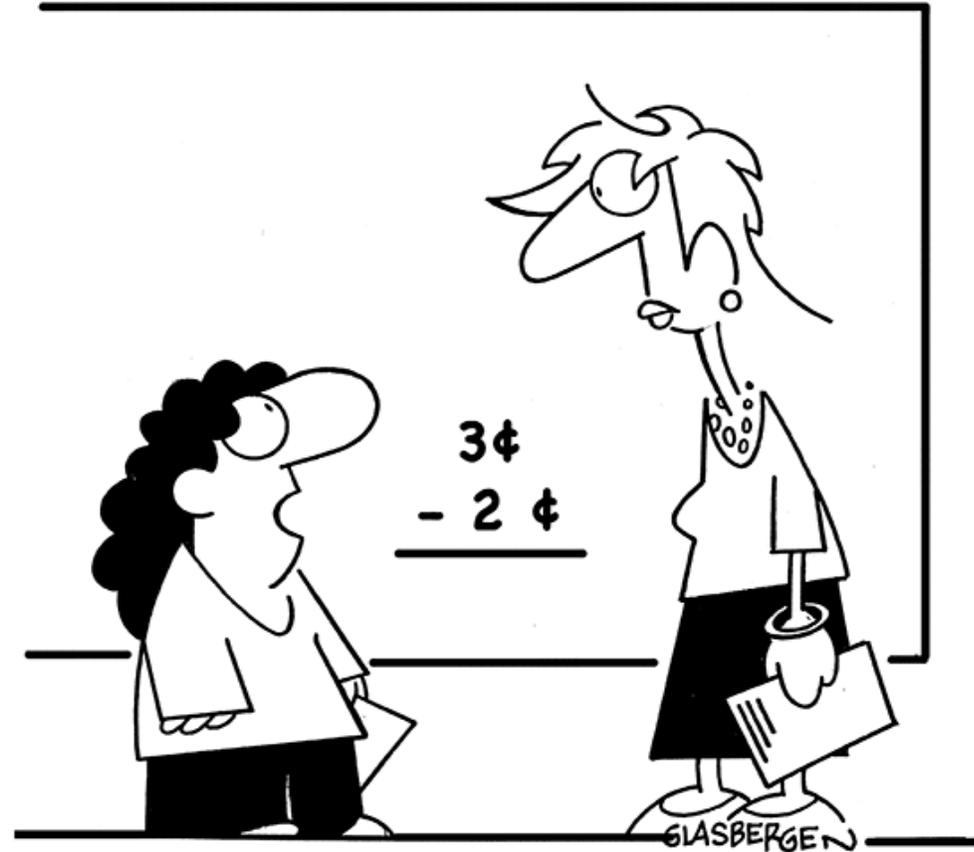
“Why am I spending my lunch with you?”

- Boost Profits Through Operations and Finance
 - Increase Revenue
 - Decrease Expenses
 - Streamlining Processes
 - Incorporating Tech
- Overall: Improve my business



How am I going to do it...specifically?

- Gross Profit Margin
- Process Reengineering and improvement
- Six Sigma
- Technology
- Focus on...?



“Do you want my answer in school math, government math or corporate math?”

A Different Approach: Gross Margin

When it comes to improving the bottom line profit, 9 out of 10 small business owners usually tell me they need to increase the number of customers or reduce their expenses.

Rarely, if ever, do they mention the need to improve their gross profit margin.

Whether you sell products or services, your gross margin is a key profit lever in your business.

So here's five ways to increase yours:

- 1. Promote the heck out of premium or higher margin products.** A lot of small businesses promote lower-margin products and services, then try to up-sell the customer into something better. Why not do the opposite. Use your marketing budget to support sales of the good stuff — and let lower margin options become the alternate for those who can't afford the best.
- 2. Look for ways to reduce 'product or delivery' costs so more profit falls to the bottom line.** Renegotiate with vendors, eliminate slow-moving products or streamline your delivery procedures to reduce labor costs.
- 3. Find alternate, cost-effective ways to get your products or services to customers** – joint ventures or the web are just a couple examples.
- 4. Identify effective ways to add value that customers will pay for** – so you can raise prices more than the cost of the value added. Not sure what you can add? Talk to your customers.
- 5. Differentiate yourself so you stop competing on price.** Give them other reasons. What do you do well? What makes you better than your competitors? Price is certainly one consideration – don't make it the only one.

Process Reengineering

- In today's constantly changing world, the only thing that doesn't change is 'change' itself. In a world increasingly driven by the three C's: customer, competition and change,
- companies are on the lookout for new solutions their business problems. Recently, some of the more successful business corporations in the world seem to have hit upon an incredible solution: Business Process Reengineering (BPR).
- Some of the recent headlines in the popular articles read, "Walmart reduces restocking time from six weeks to 36 hours." "Hewlett-Packard's assembly time for server computers reaches new low – four minutes."
- The reason behind these success stories: Business Process Reengineering!



What is Business Process Reengineering?

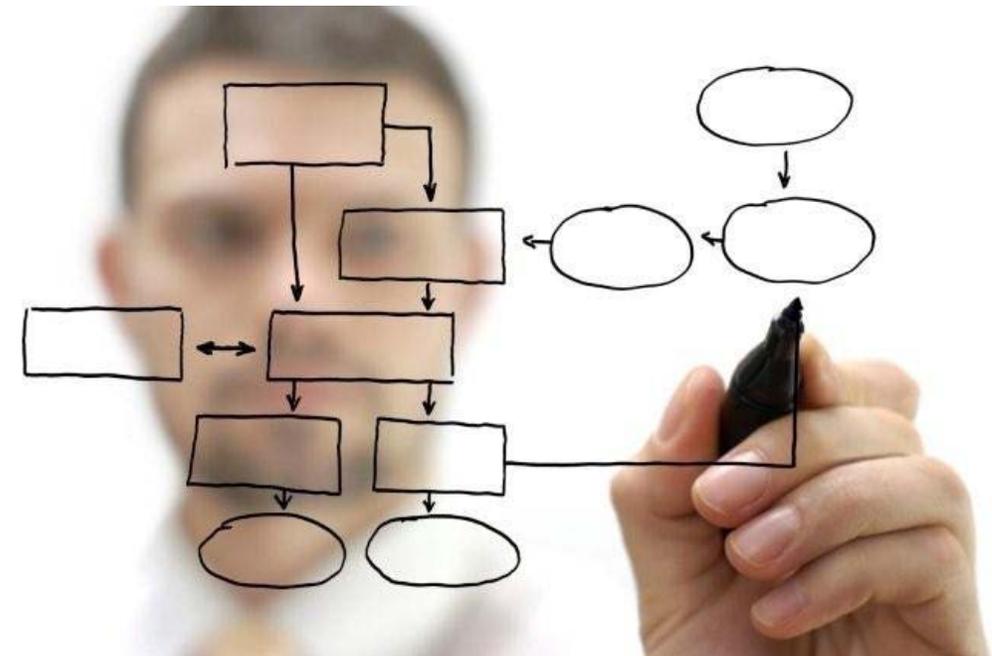
- "Business Process Reengineering (BPR) is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical measures of performance such as cost, quality, service and speed.
- BPR focuses on processes and **not** on tasks, jobs or people.



**WHAT IS
BPR?**
[Business Process Re-engineering]

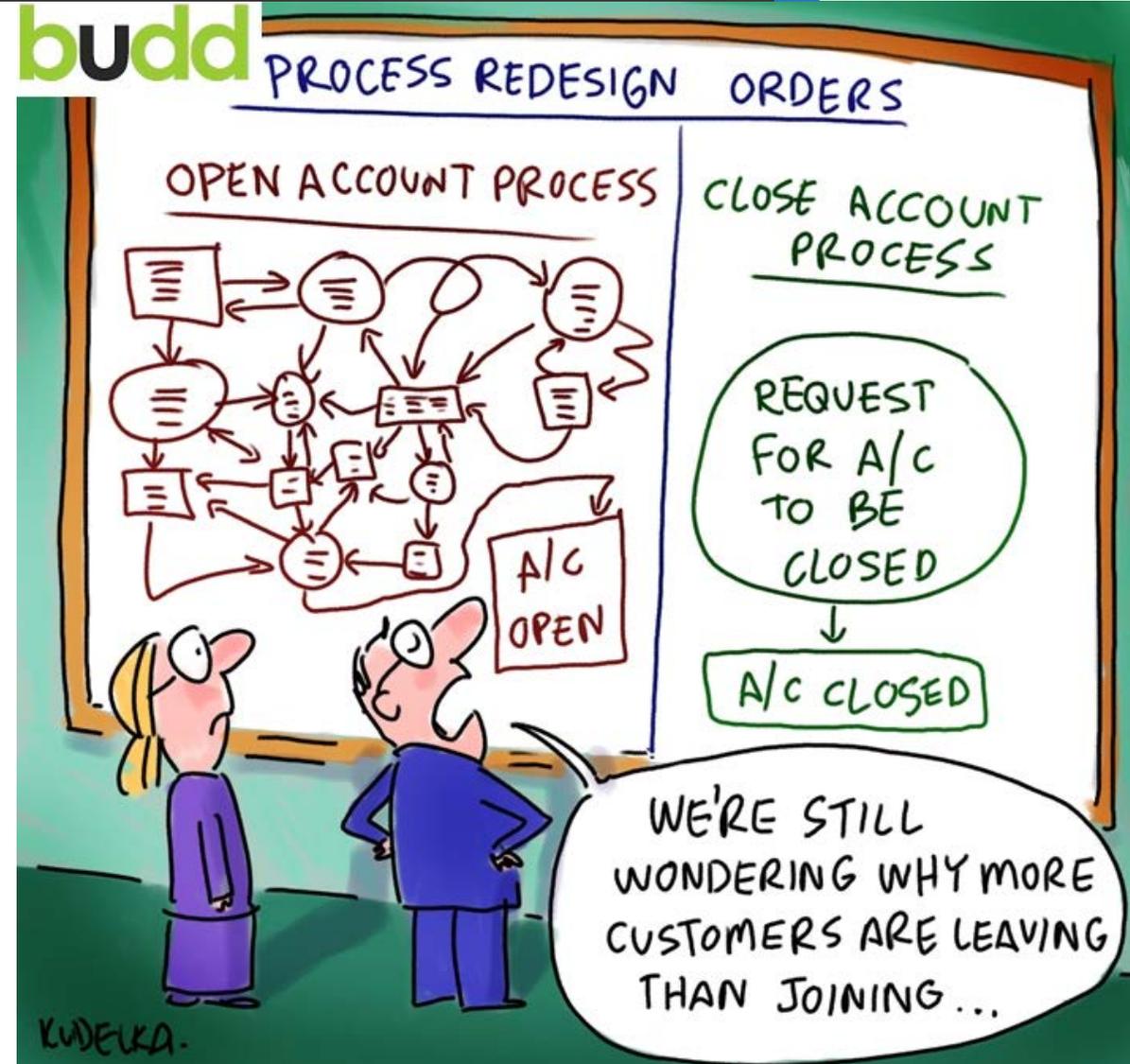
What to Reengineer?

- A business process is a series of steps designed to produce a product or service. It includes all of the activities that deliver particular results for a given customer.
- Talking about the importance of processes, just as companies have organization charts, you should also have what are called process maps to get a picture of how work flows through the company.

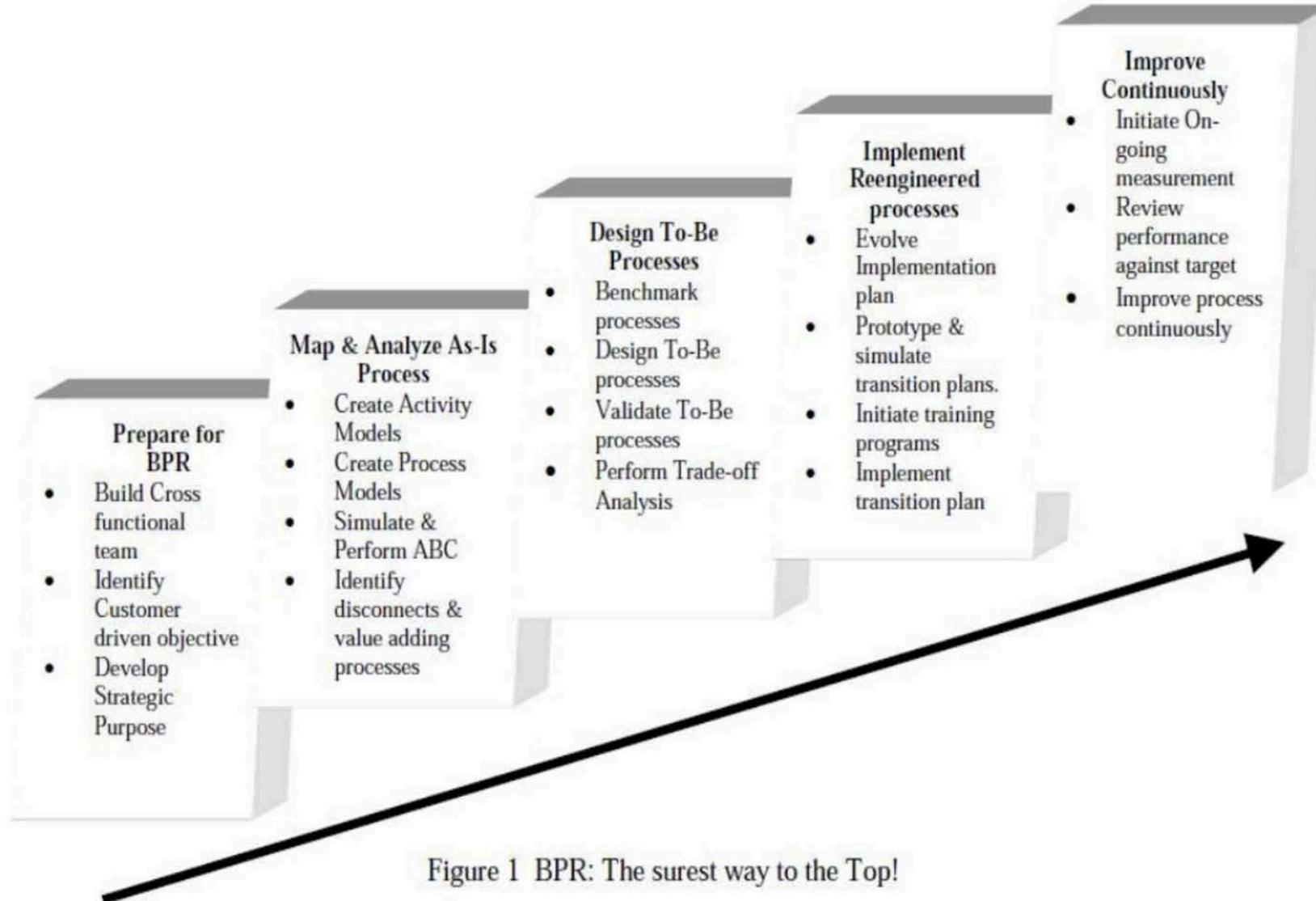


Why Reengineer?

- Historical 'reality' for businesses:
 - High level of demand: organizations are order takers
 - Management focus – efficiency and control of operations
- Modern 'reality' since 1990s:
 - Hyper-competitiveness
 - Globalization
 - Very Demanding Customers
 - Management focus: Innovation, responsiveness/speed, quality and service.



BPR Principles – 5 steps



Prepare & Identify for Reengineering

- “If you fail to plan, you plan to fail”.
 - **Planning and preparation are vital factors for any activity or event to be successful, and reengineering is no exception.**
 - Before attempting reengineering: “Is BPR necessary?”
 - There should be a significant need for the process to be reengineered
 - Another important factor to be considered is to understand the expectations of your customers and where your existing process fall short of meeting those requirements.
 - Having identified the customer driven objectives, the mission or vision statement is formulated.
- This is perhaps most important step to get very clear on why the company needs to reengineer and where you need to be in the future.
- It is vital to articulate two key messages to everyone in the organization.
 1. “Here is where we are as a company and this is why we can’t stay here.”
 2. “This is what we, as a company, need to become.”

Identify

You now have the vision and the compelling argument in place. Next comes the burning question: what is going to get reengineered?

No company can reengineer all its high-level processes at once. So it's important to choose the right process, or processes, to begin with. Hammer and Champy suggest using three criteria to make your selection.

- The first criteria is **dysfunction**: which processes are in the deepest trouble? When looking for dysfunction, the most obvious processes are those that you already know are in trouble. An example might be a product development process that hasn't come up with anything new in years.
- The second criteria is **importance**: which processes have the greatest impact on your customers? While customers generally have no reason to know your processes in detail, they can still be a good source of information for comparing the relative importance of those processes.
 - Ask your customers about their most important issues, such as cost, on-time delivery, or product features. Then, use their answers to create a priority list of the processes that most affect their critical issues.
- The third criteria is **feasibility**: which processes are currently the most amenable to process redesign? Here, you examine the factors that will determine whether or not a particular reengineering effort will succeed.
 - Perhaps the most important factor is scope. The larger a process, and the more organizational units it involves, the broader its scope. You get a larger payoff with a broader scope, but you also lower your chances for success.
 - At the same time, high cost also reduces feasibility. The greater the cost of the reengineering effort, the more hurdles you have to overcome.

Understand the Current Process

- Before you can proceed to redesign the process, you should understand the existing process.
 - The best place to begin to understand a process is to look at it from the customer's point of view.
 - What are their requirements?
 - What problems do they have?
 - What do they say they want and what do they really want?
 - How do they use the output of your process?
- The ultimate goal of your redesign is to create a process that increases your ability to meet customer needs. Therefore, it's important that you truly understand those needs.
- The main objective of this phase is to identify disconnects (anything that prevents the process from achieving desired results and in particular, information transfer between departments or people) and value adding processes.
- Once you understand what the customer needs, you have to look at what the process currently provides. The goal is to understand the 'what' and the 'why,' not the how. You should be less concerned with how the process works today and focus more on what the new process will have to do to meet the identified customer needs.

Redesigning the Process

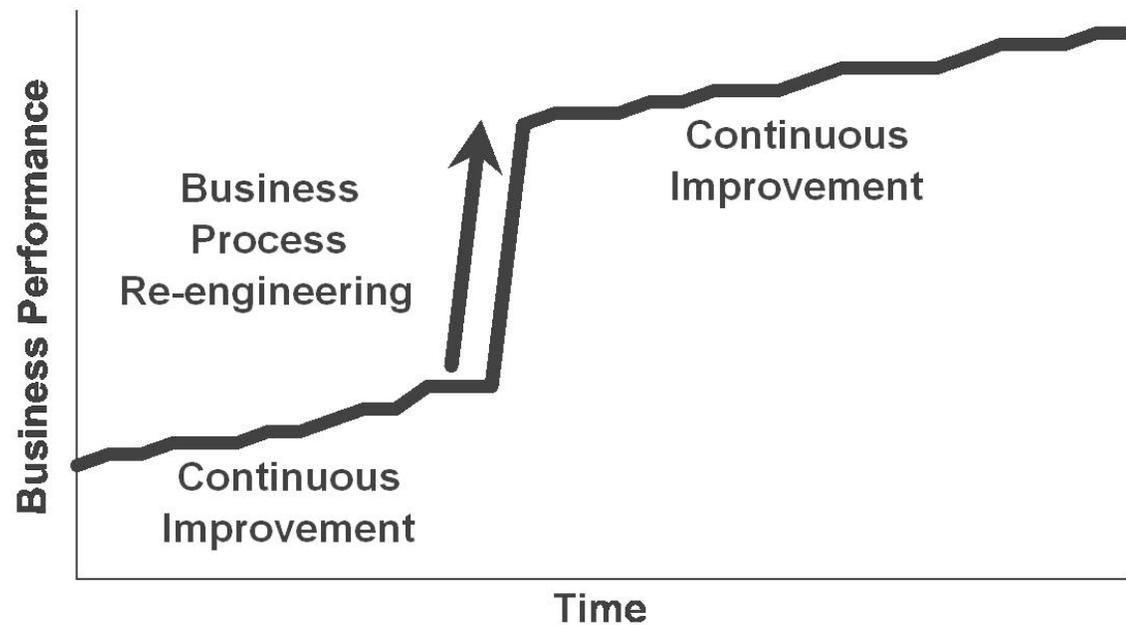
- The objective of this phase is to produce one or more alternatives to the current situation, which satisfies the strategic goals of the company.
- The creative part of the reengineering process.
- A downside to redesigning a work process is that it isn't algorithmic or routine. There are no set procedures that will mechanically produce a radical new design process. On the other hand, you don't have to start with an entirely blank slate.
- There are techniques available that have worked well for some companies. So, although there are no hard and fast rules for process redesign, there are principles and precedents that can help you get through this stage of the process.

Redesigning the Process

- ***Search out and destroy assumptions***
- ***Look for opportunities for the creative application of technology***
 - The key is to use technology to help you redesign the new process, NOT to make the old process better.
 - This requires inductive thinking — the ability to recognize a powerful solution and then seek problems that it might solve, in some cases problems you aren't even aware you have. Instead of asking, "How can we use new technologies to get better at what we are doing?" ask, "How can we use new technologies to do things we are NOT already doing?"
 - Keep in mind the following lessons learned from companies who have already undertaken extensive reengineering efforts:
 - **You don't need to be an expert to redesign a process.**
 - **Being an outsider helps.**
 - **You must discard preconceived notions.**
 - **It's important to see things through the customer's eyes.**
 - **Redesign is best done in teams.**
 - **You don't have to know much about the current process.**
 - **It's not hard to have great ideas.**
 - **Redesign can be fun.**

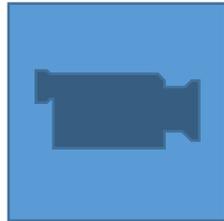
Recap BPR

Business Process Improvement



- Start with what you have
- Troubleshoot dysfunction, importance and feasibility
- Analyze impact
- Create greater efficiencies with a newly design process
- Continue to analysis

Six Sigma



Got CRM?

A \$24 billion market.

The Big Names:

- Salesforce
- Microsoft Dynamics
- Zoho CRM
- Insightly
- Method
- Sage
- Sugar
- GoldMine/ACT

The 3 Benefits:

- Nothing Falls through the cracks
- Everyone knows
- You build intangible value

The 3 Laws:

- Have an administrator
- Need senior buy-in
- Rely on and require reports

Inexpensive Techs To Keep Your Clients and Community Happy

Stay Top of Mind...increase referrals...grow revenue

E-Mail Communications:

- Constant Contact
- Emma
- MailChimp
- JangoMail
- Active Campaign

On Paper:

- FeltApp
- Hand-written notes
- BeFunky
- Photo Editing

Voice and Text:

- VoiceShot
- Interactive messages
- Tatango
- Short Codes

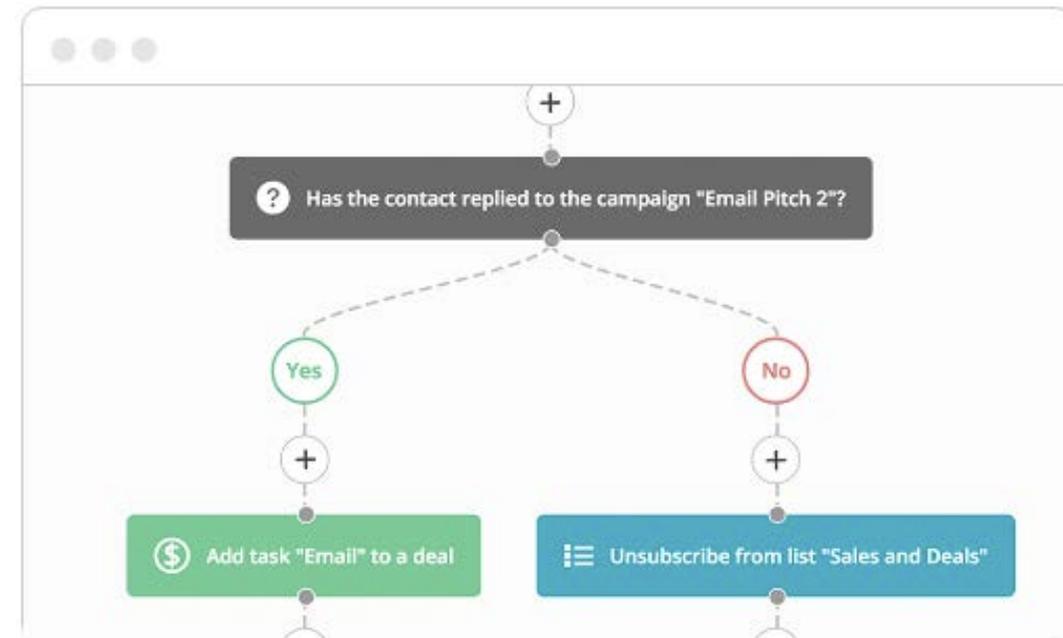
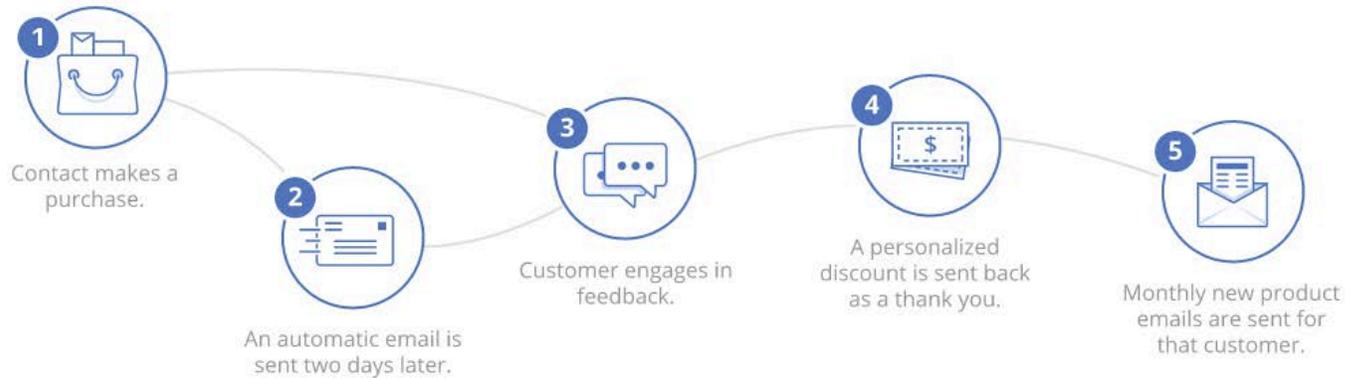
Your Online Community:

- GetSatisfaction
- Customer Surveys
- Zopim
- Live Chat

My Choice: Active Campaign

Automatically engage with your contacts

Welcome emails, birthday emails, trigger campaigns from actions, sales follow-ups and more.



Cloud Accounting is Exploding!

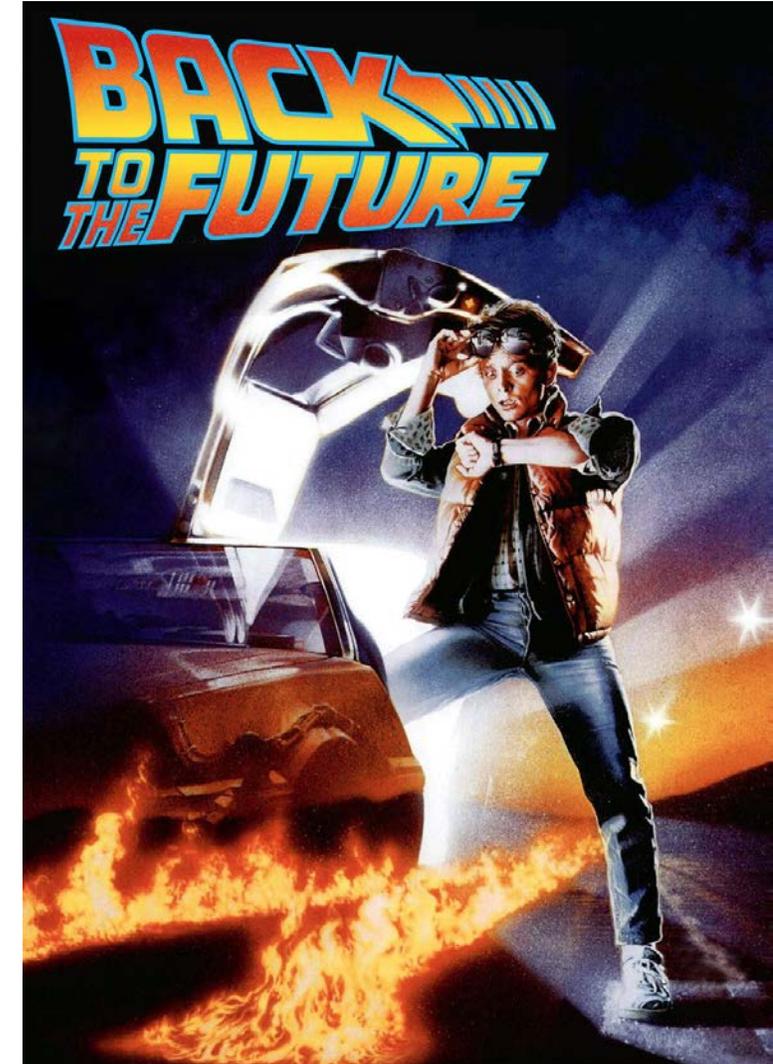
Many Choices:

- Xero
- QB Online
- Intaact
- NetSuite
- Wave
- inDinero

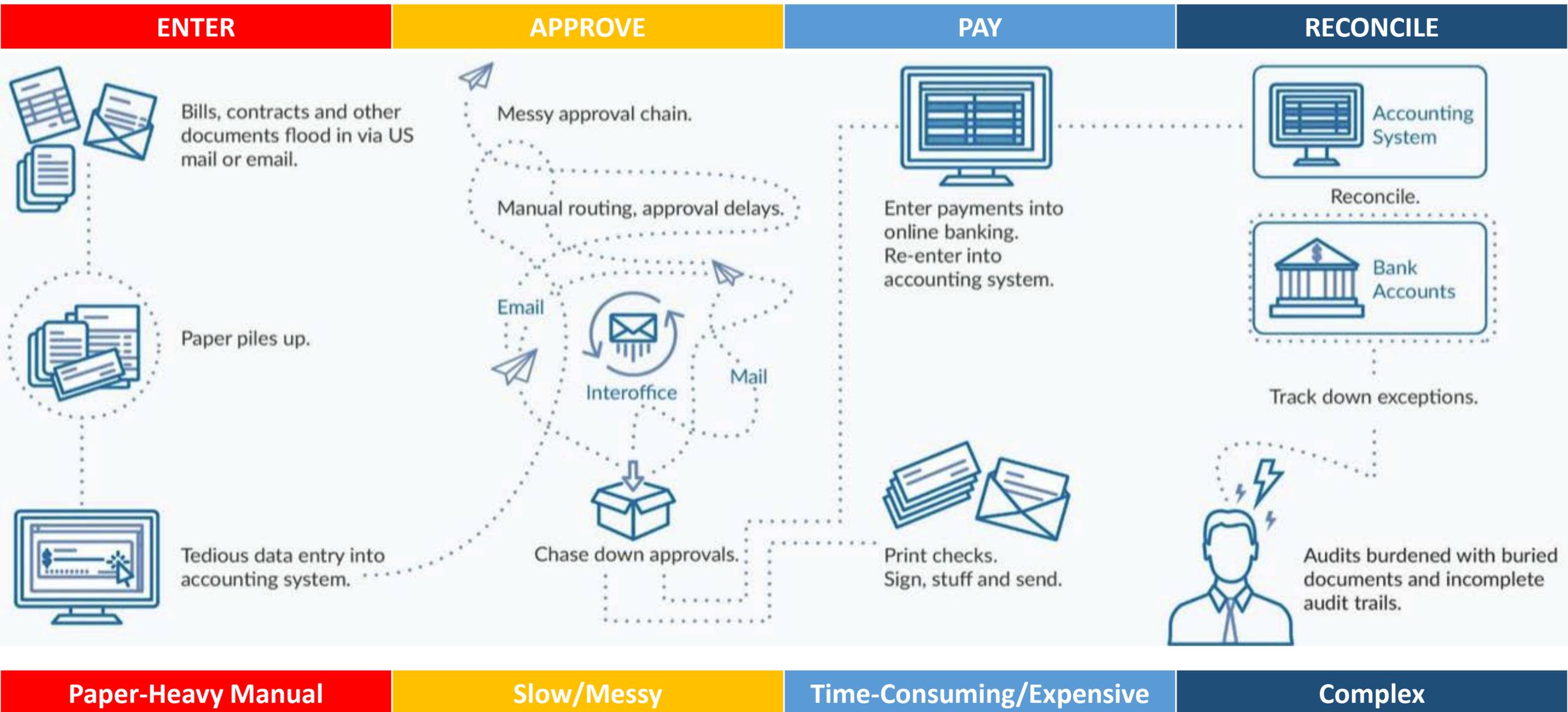
A change in Payables and Receivables

Management:

- Bill.com
- Receipt bank
- EntryLess
- Expensify
- Concur



SMB Accounts Payable – Manual, Messy, Expensive





Current Process

1. Pick Up Mail
 2. Open Mail
 3. Process Bills
 4. Post Bills in QuickBooks
 5. Send Report to Approver
 6. Review with Approver
 7. Generate Check Run
 8. Stuff Checks
 9. Mail Checks
 10. Reconcile Bank Account
- Repeat...
- Repeat...

Average Cost to
Pay a Single Bill?

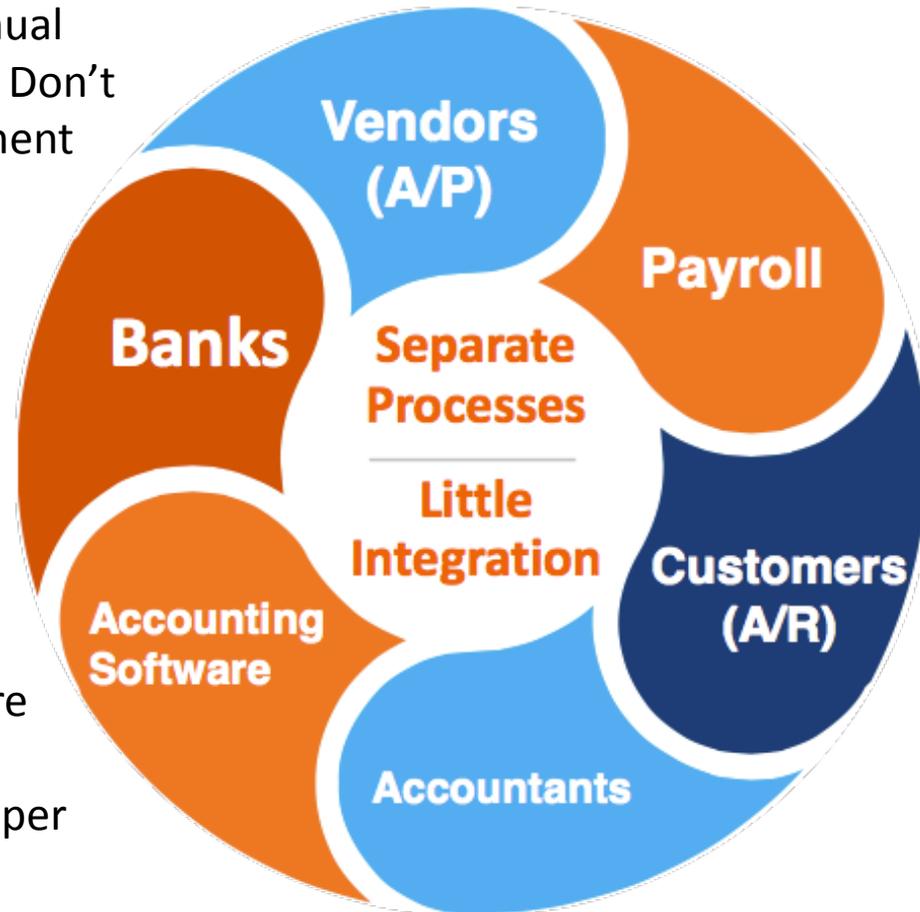
\$38

Old School: Separate Processes – All Independent

- Paper Invoicing, Manual
- Can email, but Many Don't
- No Visibility for Payment Schedules

- Online Banking
- ACH Payments
- No Document Attachments

- Mostly Desktop
- Doc Attachments Rare
- Manual Data Entry
- Heavily Reliant on Paper
- Fraud Risk



- Mostly Paper Checks
- Mostly Desktop Solutions
- Manual Entry
- Error Prone and Costly

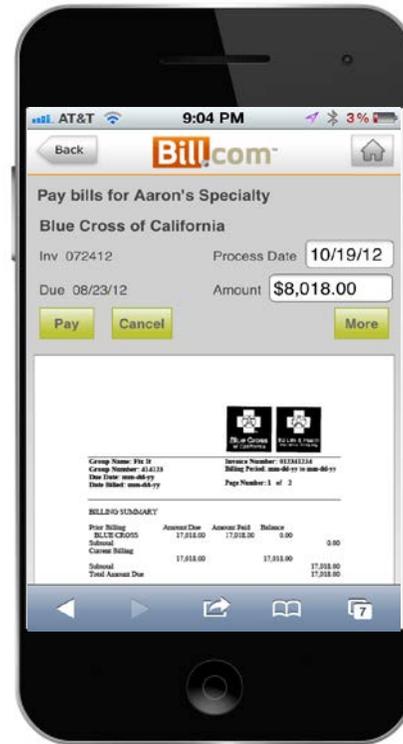
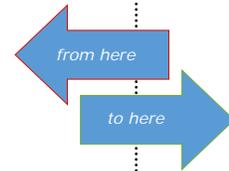
- Mostly Pay by Check
- Grouping Deposits
- Trips to Bank

- Manual Processes
- Paper Based
- Complex Reconciliation – More Time and \$\$\$

Looking Forward



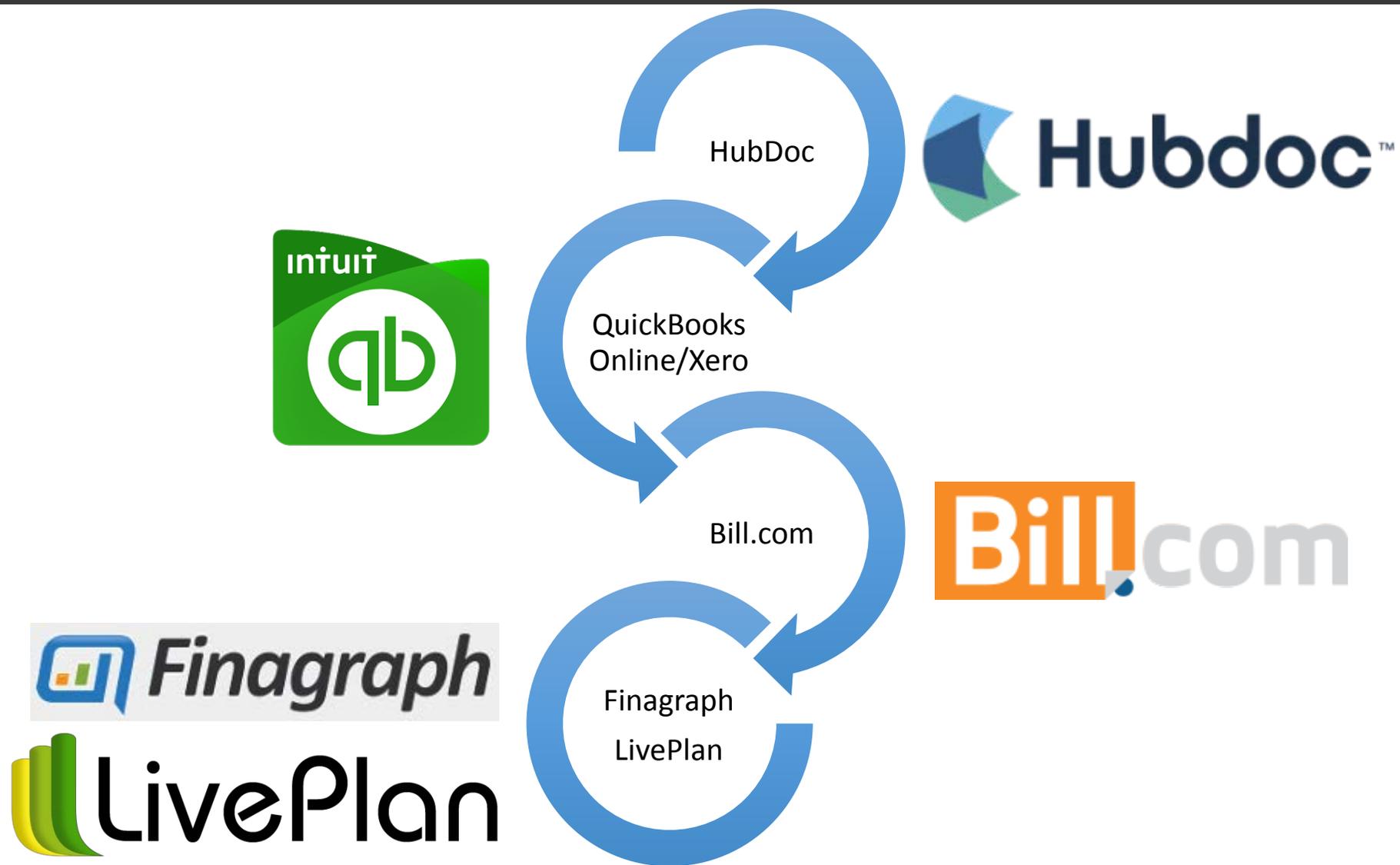
What if I could turn this...into this.



What if?

- What if I never had to keep another receipt, vendor invoice, or check stub to protect myself in case of an audit?
- All my business documents (vendor invoices, expense receipts, etc.) were not only stored in the cloud behind bank-level 256 bit encryption, but also attached to the actual transaction in your accounting software?
- I could nearly automate my Accounts Payable and Accounts Receivable process?

How Do I Do It?



HubDoc

- FOLDERS** + New Folder
- parkcitybookkeepers+PPS@g...
 - All Documents (42)
 - Uploads (0)
 - Big Splash Pool & Spa (1)
 - Bug Busters (1)
 - Century Link (2)
 - Dex Media (0)
 - Genworth (1)
 - Park City Tree (3)
 - Peak Alarm (1)
 - Piano Associates Ent. (0)
 - Premier Prop. Porter (1)
 - Questar Gas (1)
 - Rocky Mountain Power (4)
 - Selecthealth (0)
 - Verizon (1)
 - Wasatch Exterminator... (1)
 - Trash (26)
- TAGS** + New Tag

- DOCS**
- All Processing Review Failed Archived
- \$126.00
Due: Sep 7, 2015
 - Genworth**
Bill Date: Aug 9, 2015
\$569.25
Due: Sep 4, 2015
 - Scan0268.pdf
 - Big Splash Pool & Spa**
Bill Date: Aug 26, 2015
\$1,030.00
 - Park City Tree**
Bill Date: Aug 25, 2015
\$298.00
Due: Sep 7, 2015
 - Questar Gas**
Bill Date: Aug 17, 2015
\$3.27
Due: Sep 8, 2015
 - Rocky Mountain Power**
Bill Date: Aug 14, 2015
\$4.12
Due: Sep 8, 2015
 - Wasatch Exterminators Inc.**
Bill Date: Aug 14, 2015
\$78.00
Due: Aug 28, 2015

Questar Gas Invoice

Add tag

QUESTAR Gas

Thank you for your patronage. Your prompt payment assists us in providing our customers with high-quality natural gas service.

Account: _____

Page 1 of 1

Service Address: Park City, UT 84060

1.587056 0.000000 20.170000 44.000000

Residential Gas Service

Service Agreement: 8192066477

Comparison	Last Year	This Year
Degrees/Day	0.06	0.04
Dollars/Day	\$0.79	\$0.51

DTH Usage History

Meter ID	Date	Current Meter Read	Reading	Previous Meter Read	Date	Reading	Days	Dial Difference	Volume Multiplier	Billed DTH
26086575	8/17/2015	7585	7571	7571	7/16/2015	7571	32	14 CCF	0.082000	1.1

Account Summary as of: August 17, 2015

Previous Balance Due - 08/07/2015 13.11

Payment Received - 8/5/2015 13.11

Payment Received - 8/14/2015 13.11

Current Charges - Gas Service 16.38

Total Amount Due Upon Receipt \$ 3.27

1% monthly interest (12% annually) charged on balance on or after 09/08/2015.

Service from 7/17/2015 - 8/17/2015

Rate - GS

Charge for Gas Used (Avg cost per DTH \$ (7.20000)) 7.92

Basic Service Fee Total 6.75

Franchise Fee (2.5%)(Park City) 0.37

Utah Sales Tax (5.25%) 0.79

Municipal Energy Tax (3.5%)(Park City) 0.53

Energy Assistance 0.02

Current Gas Billing 16.38

QUESTAR

Questions, comments or mailing address corrections?
Call Questar Gas weekdays 7am-6pm (see back of page for details) or visit our website: Questargas.com

Please write your account number on your check and return this portion with your payment.

Account	Current Charges Past Due After	Total Amount Due	Amount Enclosed

HubDoc

- DOCS
- All Processing Review Failed Archived
- Questar Gas**
 Bill Date: Jul 23, 2015
 \$16.52
 - Questar Gas**
 Bill Date: Jul 23, 2015
 \$25.23

Questar Gas Invoice

[Add tag](#)

Gas

Thank you for your patronage. Your prompt payment assists us in providing our customers with high-quality natural gas service.

Account Summary as of: July 27, 2015

Previous Balance Due - 07/14/2015	29.42
Payment Received - 7/6/2015	-29.42
Current Charges - Gas Service	25.23
Total Amount Due Upon Receipt	\$ 25.23

1% monthly interest (12% annually) charged on balance on or after 08/18/2015.

Service Address: Park City, UT 84060
2.762446 0.000000 56.500000 20.000000

Residential Gas Service
Service Agreement: 7568350421

Comparison	Last Year	This Year
DecaTherms/Day	0.09	0.08
Dollars/Day	\$1.14	\$0.84

Usage History

Meter ID	Current Meter Read Date	Current Meter Read Reading	Previous Meter Read Date	Previous Meter Read Reading	Days	Dial Difference	Volume Multiplier	Billed DTH
36097106	7/23/2015	8054	6/22/2015	8026	31	28 CCF	0.082166	2.3

Service from 6/23/2015 - 7/23/2015

Rate - GS

Charge for Gas Used (Avg cost per DTH \$ (6.89130))	15.85
Basic Service Fee Total	6.75
Franchise Fee (2.5%)(Park City)	0.57
Utah Sales Tax (5.25%)	1.22
Municipal Energy Tax (3.5%)(Park City)	0.81
Energy Assistance	0.03
Current Gas Billing	25.23

QUESTAR Gas

QUESTAR
Posted

Questions, comments or mailing address corrections?
Call Questar Gas weekdays 7am-6pm (see back of page for details) or visit our website: Questargas.com

Please write your account number on your check and return this portion with your payment.

Account	Current Charges Past Due After	Total Amount Due	Amount Enclosed
	8/18/2015	\$25.23	

Questar Gas Company
PO Box 45841
Salt Lake City, UT 84139-0001

756835000050000002523000000294200000025235

[Notes](#) [PDF](#) [Download](#) [Delete](#)

prev [Publish & Proceed](#) next

Don't want to make changes? [Archive](#) instead

DETAILS

* Document Type: Invoice

* Vendor: Questar Gas

Invoice Number:

* Date: 2015-07-23

Due Date:

AMOUNT

* Currency: USD

* Total: 25.23

Paid Status: Paid Unpaid

DESTINATIONS [Publish All](#)

QBO
State: Not Configured
 Autosync
 Save configuration

* Publish To: Bill

* Account: Choose

* Vendor: Choose

[Publish](#)

QuickBooks Online

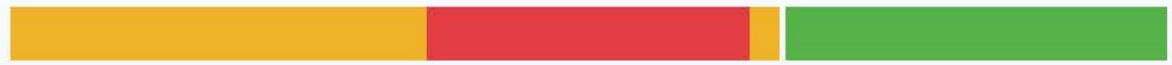
qb Accountant | Craig's Design and Landscaping Services | Search | Sample Company | Help

Craig's Design and Landscaping Services

Tuesday, July 28 2015 | Private mode OFF

Income

Last 365 Days

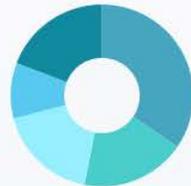


\$5,282	\$1,526	\$3,136
OPEN INVOICES	OVERDUE	PAID LAST 30 DAYS

Expenses

Last 30 days

\$2,186 LAST 30 DAYS



\$755	Maintenance and Repai...
\$405	Cost of Goods Sold
\$390	Legal & Professional...
\$216	Job Expenses

Profit and Loss

Last 30 days

\$1,774 NET INCOME

\$3,960	INCOME
\$2,186	EXPENSES



Bank accounts

Checking	Moments ago
Bank balance	\$-3,621.93
In QuickBooks	\$1,201.00

Savings	Moments ago
Bank balance	\$200.00
In QuickBooks	\$800.00
Mastercard	Moments ago
Bank balance	\$304.96
In QuickBooks	\$157.72
Visa	
In QuickBooks	\$0.00

[Connect another account](#)

Activities

All

- Needs attention
- QuickBooks for Windows or Mac user? [Read this first.](#)
- July 28, 2015 TODAY
 - [Take a tour of the home page](#)
 - [Personalize QuickBooks](#)
- July 27, 2015 YESTERDAY
 - Credit Card Expense: \$34.00 added
Jul 27, 3:04 pm Mountain Daylight Time.
- July 16, 2015 12 DAYS AGO



To Do List

- Pay: 20 bills **overdue** | 20 bills ready to be paid
- Process 1 document in Inbox
- Track: 5 invoices **overdue**
- Additional Security Setup

Go To Vendor

[View all](#)

Quick Links

- [Enter bill with documents](#)
- [Enter bill without document](#)
- [Pay Vendors via ePayment](#)
- [Manage users](#)
- [View chart of accounts](#)

Upload Your Bills

 No file chosen [Setup your email](#) [Setup your fax](#)

Or drag & drop files here



Cash Forecast

Opening Balance: **\$5,204.46** as of 09/28/15[Details](#)

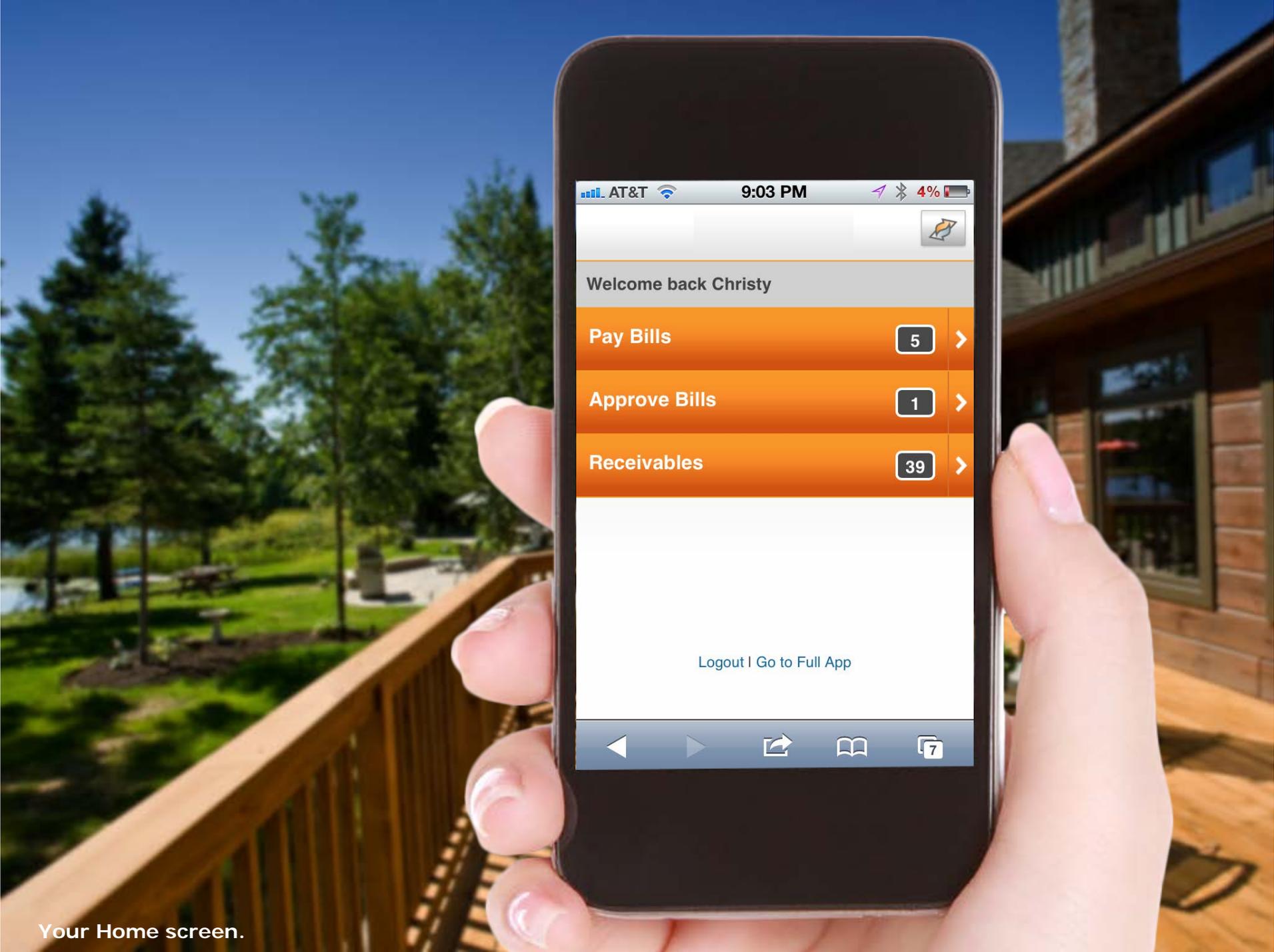
	\$5.8K
	\$5.4K

APPROVAL STATUS Any DUE DATE TO GO Sort By Due Date

Unpaid bills

Select: [All | None]

BILL INFORMATION	DUE DATE	APPROVAL STATUS	BILL AMOUNT	PAYMENT AMOUNT	PROCESS DATE	SELECT
Délicieux Catering Services inv # - DCS 00144	08/18/15	Unassigned	\$100.00	<input type="text" value="\$100.00"/>	09/29/15 <input type="text"/> Check - Arrives by 10/02/15	<input type="checkbox"/>
Délicieux Catering Services inv # - DCS 00145	08/20/15	Unassigned	\$100.00	<input type="text" value="\$100.00"/>	09/29/15 <input type="text"/> Check - Arrives by 10/02/15	<input type="checkbox"/>
Logan Web Design inv # - LWD - 10/15/11	08/21/15	Unassigned	\$8,000.00	<input type="text" value="\$8,000.00"/>	09/29/15 <input type="text"/> Check - Arrives by 10/02/15	<input type="checkbox"/>
Délicieux Catering Services inv # - DCS 00146	08/22/15	Unassigned	\$100.00	<input type="text" value="\$100.00"/>	09/29/15 <input type="text"/> Check - Arrives by 10/02/15	<input type="checkbox"/>
Délicieux Catering Services inv # - DCS 00147	08/25/15	Unassigned	\$100.00	<input type="text" value="\$100.00"/>	09/29/15 <input type="text"/> Check - Arrives by 10/02/15	<input type="checkbox"/>
Rodriguez, Fineman, and Goldstein inv # - 09/19/11	08/25/15	Unassigned	\$7,344.91	<input type="text" value="\$7,344.91"/>	09/29/15 <input type="text"/> Check - Arrives by 10/02/15	<input type="checkbox"/>
Délicieux Catering Services inv # - DCS 00148	08/27/15	Unassigned	\$100.00	<input type="text" value="\$100.00"/>	09/29/15 <input type="text"/> Check - Arrives by 10/02/15	<input type="checkbox"/>



Your Home screen.

Complete View of Transactions

Ceribelli Associates | Home | Inbox | Payables | Receivables | Documents | Reports | Larry's Landscaping & Garden S...

Overview | My Bills | All Bills | Pay Bills | View Payments | Vendors | Manage Recurring

Blue Apple Design - 00123

Notes
 Curtis Brown approved please pay
 04/14/10 12:30 PM

Summary

- Add Note | Edit | Del
- Vendor: Blue Apple Design
- Invoice Number: 00123 (Last 5 bills)
- Payment Terms: Due on receipt
- Invoice Date: 04/14/10
- Due Date: 04/14/10
- Credits Applied: \$0.00
- Status: Paid (See details)
- Description: Design processes
- View Payments

Amount \$3,812.00

- Expenses \$3,812.00

Account	Assigned	Approved	View
4110 Job Materials	\$1,812.00	\$1,812.00	more
Dept: Greenplum			
7400 Professional Fees	\$2,000.00	\$2,000.00	more
Dept: Landscaping			

Approvers: [add]
 Curtis Brown
 Approval message - Approved - notes
 04/14/10 12:30 PM

Charges

Voice	\$300.00
Data	\$550.00
Verizon Wireless Surcharges And other Charges & Credits	\$50.00

Audit Trail

Received | Overview | Report | History

Review The DEMO coach.pdf

This page is:
 Currently associated to:
 The Demo Coach-140127
 [Edit Approval List]

The Demo Coach™

Date: August 30, 2007
 To: Rene Lacero, CashView
 From: Nathan Gold - The Demo Coach™
 Re: Professional Demo Coaching for DEMOfall 2007 - revised

Here is my revised proposal, based on your requests, for engaging The Demo Coach to assist and coach CashView in the delivery of your product demo at DEMOfall 2007. I agree with you. With Linda there to work with you, we can cut back on the time for rehearsals. If we need more time, we can always adjust midstream.

I am honored to work with you and your team and coach you to the best work in your life while on stage. With September 24 rapidly approaching, I recommend that this project begin as soon as possible. Please review the attached proposal for a timeline of activities leading up to this conference. Also, I will be in San Diego beginning Saturday, September 22, so we can continue to prepare on-site.

Feel free to call or write me to discuss any aspect of this project. We ought to get on my calendar in multiple spots right away.

Nathan Gold

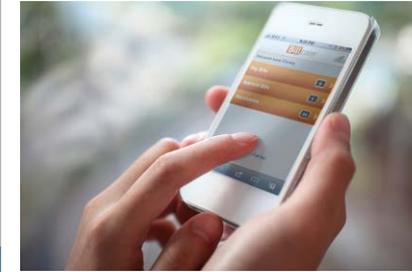
Payables

THEN —VS— NOW



THEN

- ~~1. Pick Up Mail~~
- ~~2. Open Mail~~
- ~~3. Process Bills~~
- ~~4. Post Bills in QuickBooks~~
- ~~5. Send Report to Approver~~
- ~~6. Review with Approver~~
- ~~7. Repeat...~~
- ~~9. Generate Check Run~~
- ~~10. Stuff Checks~~
- ~~11. Mail Checks~~
- ~~12. Reconcile Bank Account~~
- ~~13. Repeat...~~



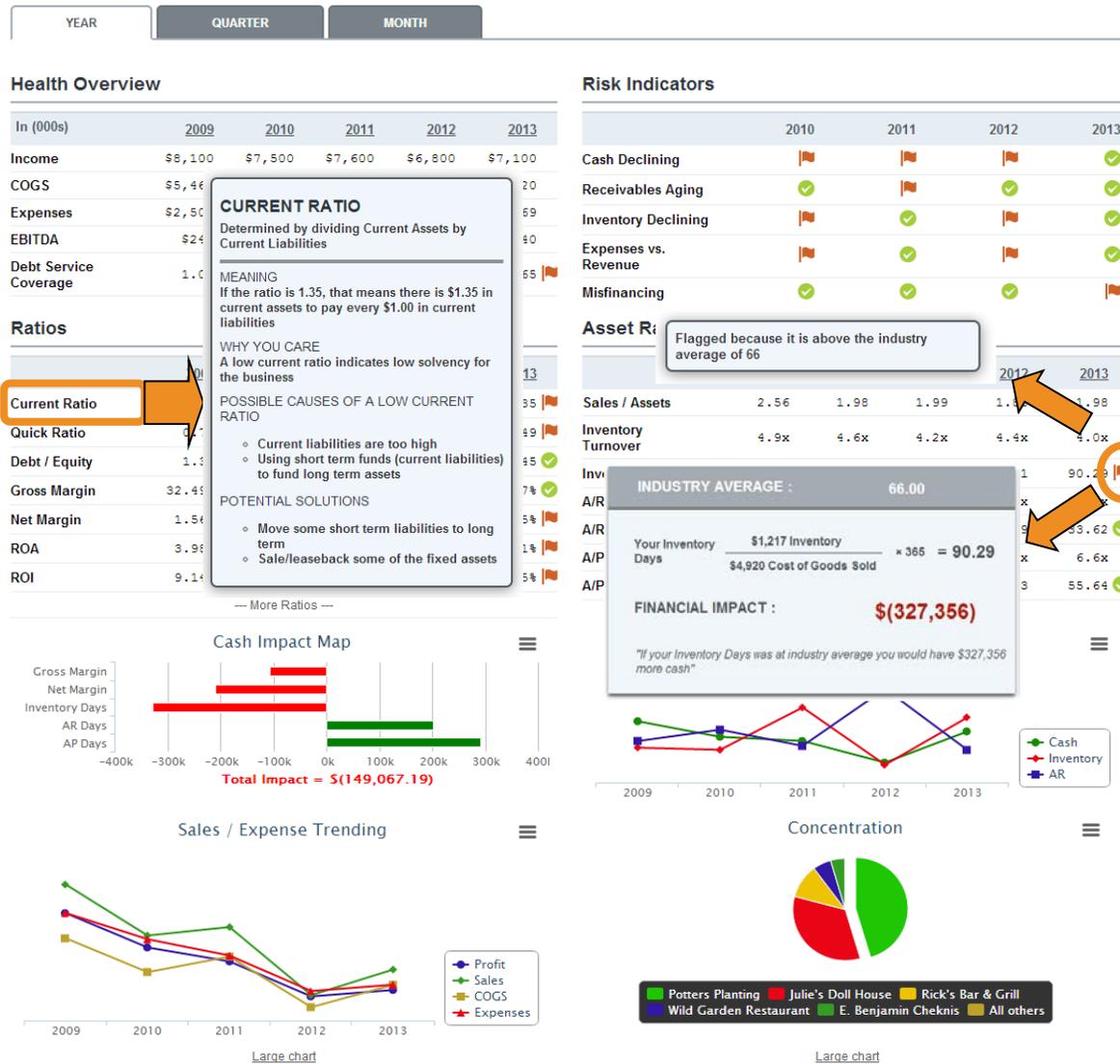
NOW

1. Bills emailed Accounts Payable Department from vendor
2. Categorize & Route for Approval
3. Approved by You via phone app or website with one click
4. Paid (ePayment)

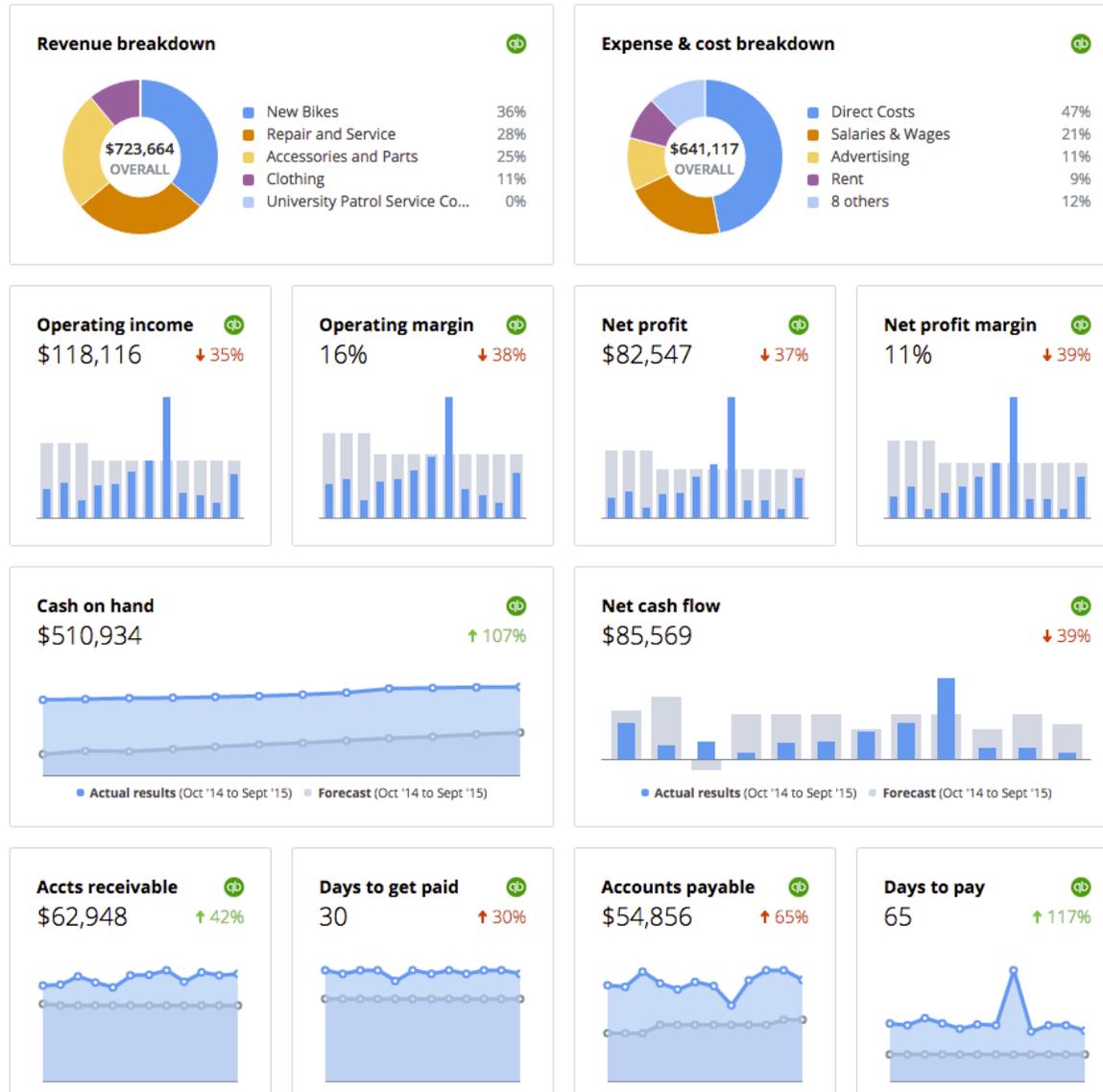
Including....

- Built-In Audit Trail and cleared check images
- Workflow Management
- Electronic Document Storage
- Accounting Software Synchronization

Financial Intelligence On Demand



Financial Scorecard



Recap Technology

- Use a CRM
- Keep your community happy with inexpensive tech
- Your current AP process is inefficient and costs you time and money
- Tech solutions exist to save 4-8 hours per week
- Financial Statement Analysis doesn't need to be a headache

Focus....

ON your business not IN your business

Business Development
Marketing
Sales

Focus....

Determine your Opportunity Cost and ROI

$$\text{roi} = \frac{\text{(gain of investment - cost of investment)}}{\text{cost of investment}}$$

Figure out your competitive advantage



Questions?

Eric Wheeler
President
Park City Bookkeepers

eric@parkcitybookkeepers.com

www.ParkCityBookkeepers.com

LinkedIn:
www.linkedin.com/in/ericwheelerutah

Twitter:
[@PCBookkeepers](https://twitter.com/PCBookkeepers)

Facebook:
www.facebook.com/parkcitybookkeepers



“Mr. Osborne, may I be excused? My brain is full.”