



# Michigan CFO Associates

The CFOs for *Small Business*

# Newsletter



## President's Message HOLIDAY SURPRISES



Todd Rammler

**I like a good, shocking surprise** every now and then (emphasis on "good"). I especially like *giving* someone a good, shocking, surprise. Something completely unexpected, that gets etched in their memory.

Over time we fall into a routine of busyness during the holidays, just trying to get through them and make sure nothing gets screwed up. Hanging lights, decorating the tree, making sure there's a present for everyone, cooking dinner, etc. And I realized it's been a while since I've orchestrated a really good surprise.

Years ago when my wife & I were dating, Christmas was approaching and she kept asking me what kind of present I was going to get her. I told her "A pony", to deflect the question. We played this game back and forth for a few weeks. Then it occurred to me I could actually get her a pony, just to mess with her.

So Christmas came, and we were at my parent's house. It was her turn to open a gift, and I brought over a large, full trash bag with a bow on it. She opened it up: It was a saddle. A real saddle, from a real horse. That surprised her, but I think her reaction was something like "Ha Ha, very funny. Where's my real present?"

For her next present, she got a bag of oats. Slightly less funny, and now the drama was building. The following time around she got a card that said "Your present is in the backyard". She reluctantly went to the backyard.

Now my parents lived in a nice suburb with hundreds of houses. Not farm land with

open country side. No farm animals were roaming around anywhere. Ever. And there, standing in our backyard was not a pony, but a real **full sized horse** ("borrowed" from a family friend).

I've never heard anyone scream that loud when she saw the horse in our back yard. Got her.

It took a lot of coordination to make that happen, but it was a *great* surprise gift that will never be forgotten.

On the other hand, nobody likes a bad surprise. We had a few of those this year. The air conditioner quit, the refrigerator died, a couple windows rotted out, etc.

So when it comes to working with our clients on the financial plans of their businesses, our philosophy is "No Surprises", because they're usually bad. (How many times has a company counted inventory at year end and discovered they had a huge inventory write UP, instead of write down? Not very often.)

Eliminating financial surprises in business takes some of the "excitement" out of it, but it also tends to help everyone sleep a little better at night.

If your business or your clients are experiencing unexpected and unnecessary financial surprises, give us a call. You'll be surprised how good we are at eliminating them. We don't horse around.

Best Regards,

Todd Rammler, CMA, MSA, President

U.S. NATIONAL DEBT AS OF:

December, 2012  
\$16,500,000,000

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View past

newsletters online!

<http://michigancfo.com/newsletter-archive>



## What's Happening?



**In The News.** Michigan CFO Associates was recently featured in Corp! Magazine. Check it out using the link below!

**Michigan CFO in Corp! Magazine**

<http://tinyurl.com/ar4mkt>



**Client Appreciation Event.** We kicked off the holidays with our annual client appreciation mixer. Thank you to all our clients who attended, we look forward to another great year of doing business with you!



**Seabrook Satterlund—Satterlund LLC  
Glenn & Janice Pesti—Anticipated Plastics**



**Brian Rolfe—KempKlein Law Firm  
Rick Segal—Segal Consulting**



**Erica Johnson, Tom Carbone, Sandy Bagozzi—  
Michigan CFO Associates**

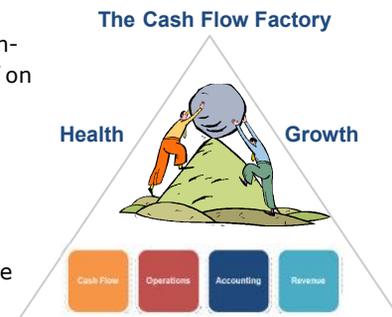


**The Cash Flow Factory Workshop**

**The Cash Flow Factory Workshop Series.** We recently completed the 1st workshop "Creating The Cash Flow Factory" on October 24. Register now for Workshop #2 "10 Keys To A Healthy Business", on January 30 at Automation Alley.

**Seating is limited to 20, so register now!**

Please visit <http://michigancfo.com/events/workshops> for more information or to register.





Brian Bach

## **Five Points for Increasing the Selling Price of your Business**

Often we talk with business owners who may be looking to sell their business in the near future and want to know what they can do now to help increase the value and make their business more attractive to a buyer.

Here are five points to consider in making your business more appealing and improving your chances of maximizing the selling price:

1. **Focus on Earnings Not on Sales** – the value of a business is often based on a multiple of the earnings, not on sales. A buyer is looking for return from earnings on their investment.
2. **Keep Good Books and Records** – research shows the number one reason a deal falls apart is poorly kept books or records. All other things being equal, a business with clean, accurate and concise books often receives more inquiries and the purchase price ends up closer to the asking price.
3. **Sell at the Right Time** – often your best value is obtained when a business has three or more years of rising sales and related earnings. Investors are more attracted to rising stars versus sinking ships.
4. **Work With an Experienced Intermediary** – selling a business requires expertise in the areas of negotiations, tax and contract law. It's important to have a competent intermediary that can help you understand the implications and work on your behalf to strike the best deal. Don't end up negotiating with yourself.
5. **Build Your Competitive Advantages** – look at your business from a buyer's perspective. Low customer concentration, product diversity, exclusive or recurring contractual sales or service agreements are just a few items that create market value.

Selling a business can be a complex and time consuming process. The key to improving the speed and maximizing your return begins with good planning. Building value today will attract more buyers when you're ready to sell.

## **Client Anniversaries!**

We want to thank the following client for their continued support and look forward to many more anniversaries to come!



## **Welcome New Clients**

**Relevar Home Care**

**Home Care Provider**

**1 Year**

[www.relevar.com](http://www.relevar.com)

- **Anticipated Plastics, Inc.** – Specialty injection molding [www.anticipatedplastics.us](http://www.anticipatedplastics.us)
- **Saint Clair Systems** – Provides temperature control solutions of paint, sealant, and adhesives for automated application systems. [www.stclairsystems.com](http://www.stclairsystems.com)
- **P & P Mfg.** – Manufacturer of machine components for air tools

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FROM THE ENTIRE STAFF AT MICHIGAN CFO ASSOCIATES

# Newsletter ④

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