

Corporate Franchise News

Congratulations and welcome to our newest franchisees. We are pleased to have Marie Liebson from Gainesville, VA, Deborah Neal from Woodbridge, VA and Kevin Finley from Las Vegas, Nevada join the family of franchisees. Since the last newsletter Cindy Zromkoski from Portage, Indiana passed the BKE Certification test and is actively promoting her business. See the picture of her booth in a local trade show below. Cindy is also certified by the AIPB. Deborah and Kevin have also passed their BKE Certification

We have also introduced the Franchise Development Program for all franchisees. This is affording close assistance for the new franchisees and those that need extra coaching to work with the personnel at corporate to offer additional training and assistance with the rollout of their franchise. It has become a significant part of the training program and is also being used to help our earlier franchisees get some additional assistance in making their franchise the success we are all wanting.

Monthly Reading

In this business, as in any business people want to buy from people they know and trust, not from some unseen unknown source. This is particularly true when you are dealing with the confidential financial information. I recently read a couple good books on the value of networking that will help all of us with our sales that I would like to recommend. These were recommended to me by Brent Early, our franchisee in Leesburg, VA. They are *Endless Referrals* by Bob Burg and *The Go Giver: A Little Story about a Powerful Business Idea* coauthored by Bob Burg. This is a real quick and interesting read. Both are available at Amazon.com as well as your usual book stores.



Fraud Report 2008

Every two years the Association of Certified Fraud Examiners (ACFE)



does a report on Occupational Fraud and Abuse. The numbers can be quite startling, such things as the estimate that U.S. Organizations lose 7% of their annual revenue to fraud. Based on the 2008 GDP this is approximately \$994B in fraud losses. Before the stimulus package made trillions sound like an everyday number this would sound like a big number, but still ask a business person if a loss of 7% of their revenue is a big number and they will agree that it is.

While the report studies 11 distinct categories of occupational fraud, I was only interested in those that affect cash and small businesses. Even these numbers are quite staggering. Within the category of asset misappropriations the study shows nine common categories; two that target incoming cash, five that target outgoing cash and two involve theft. Not surprisingly, the majority of asset misappropriations focus on cash as opposed to other assets. 85% of all asset misappropriations involve the theft of misuse of cash. Of those 27% involve cash receipts, 43% deal with cash disbursements and the remainder is misappropriations. Doing the same comparison as related to losses incoming involve 20% of the loss, misappropriations 20% of the loss and the remainder deal with disbursements.

The largest percentage of fraud was related to billing schemes where a person causes their employer to issue a payment by submitting invoices for fictitious goods or services, inflated invoices or invoices for personal purchases. This would also include purchases made for personal use on a company issued credit card. The largest cash loss is with check tampering where an employee steals the employer's funds by forging or altering a check issued on a company account.

Places we are being seen



Jackie Helton's car, Tallahassee Florida



Cindy Zromkoski Booth, Portage, IN

"WE'LL HANDLE YOUR BOOKS, SO YOU CAN GET BACK TO BUSINESS"

BOOKKEEPING EXPRESS

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1. Help you get accurate financial statements and tax returns.
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OUR VALUES

- PEOPLE** - We recognize that great results are born from the personal attention our bookkeepers provide.
- RESULTS** - We are committed to accurate financial reports and useful business strategies.
- INTEGRITY** - We employ the highest ethical standards while building trust with every business interaction.
- DEVELOPMENT** - We are dedicated professionals committed to accurate financial reporting and successful business development.
- EYE ON THE CLIENT** - We are passionate about delivering the best bookkeeping services and advice.

SERVICES

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- ALTERNATIVE PRICING** - Bookkeeping Express works with the client's budget in mind so prices incurred are strictly tailored to the needs of the business.
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- SUPPORT AND ANALYSIS** - We at BKE are passionate about delivering the best bookkeeping services and advice.

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Dustin Laurie's Ad in the local paper

BKE EDocs to be released in July

We have been waiting anxiously for the release of BKE EDocs, the electronic filing cabinet service that you will be able to offer to your clients.

We are still working on the interface to QuickBooks and the pricing model, but the basic document storage and retrieval package has been beta tested and is working. The interface with QuickBooks will be on Pro 2009 only at this time. The concept is the same as most document management systems, except the interface with QuickBooks allows you or the client's accountant to click on an item within QuickBooks and it will show the actual invoice. There will also be a partitioned section that the client will have access to that you will not, for his personal and company files.

Consistency is the Key!

When we talk about consistency we are referring to the need to keep a constant look and message on all of your marketing materials. It is said that the average person sees around 3000 ads a day. With this in mind it is important to send the same message over and over again for it to sink into the viewer's brain!

Since everything you do is a reflection of you, that means that whatever you do, wherever you go, whenever you are interacting with people or the world around you, you are teaching people what they can expect from you.

Your prospective customers want to know they can rely on you to show up when you said you would and deliver what you promised (but don't worry - they don't expect you to be perfect).

If they see you sending a monthly post card, publishing a newsletter or blog consistently, especially if you keep up with a schedule that you've posted, you're giving them a little taste of the level of service they can expect when they hire you or buy from you.

You'll build on your own momentum and success. Action creates action and inaction creates...well, inaction creates nothing! Your marketing efforts will snowball! When you consistently keep in front of your prospects, you will be amazed at the opportunity that will arise.



Here are three strategies that can help you develop a consistent marketing plan:

1. Set a schedule. Make a commitment to yourself (e.g., a monthly post card, quarterly newsletter and one additional e-mail blast in between issues). An editorial schedule will help you avoid feeling overwhelmed because you can plug in potential topics ahead of time.
2. Declare your schedule. Make a commitment to your prospects; let them know exactly when they can expect to hear from you.
3. Turn marketing into a team sport. Create a buddy arrangement with another business that wants to reach the same target audience and share the cost! All of a sudden you are also accountable for completing your marketing plan because of your commitment to your marketing partner.

In order to help our franchisees be consistent and fresh in their marketing efforts, we have created a series of monthly post cards that can be mailed out to your prospect list. You no longer have to sign up for a year's contract, you can simply choose to do any month you want.

Sales Taxes on Internet Sales

The U. S. Supreme Court has backed state sales tax on Internet sales. New Mexico had imposed its gross receipts tax on internet sales even though the seller had no physical presence in the state. State courts found for the state and the Supreme Court refused to hear the case. Sales tax on web sales will face more challenges, but you and your clients should not ignore the tax.



Price Reductions as a Marketing Concept

One of the greatest concerns of business owners is how to price their products or services. Often, consumers say, "Well I would buy it if it were in my price range." And, that idea tempts many business owners to lower their prices--just to sell more products.



However, as you already know, price reductions sometimes create more problems than they solve.

For example, price reductions:

- Decrease net profits.
- Lead to the purchase of lower quality products.
- Increase customer demands to drop the price even lower!
- Require even more sales to make up the difference in revenue.
- Need a larger quantity of products.

And, in the end, as John Jantsch (author of *Duct Tape Marketing*) says, "There will always be someone willing to go out of business faster than you."

Remember this: price is not a benefit. Selling is not determined on the cost of your product. If you truly "sell" your customers and prospects, they will purchase your products/services no matter what price you determine.

If a customer or prospect doesn't buy...and they claim the cost had something to do with it...you can guess they probably wouldn't have purchased anyway.

As a marketer, your job is to sell your products and services. The actual art of selling has nothing to do with the price of the product. By the time your contacts find out about the price, they should be determined to purchase no matter what the cost.

So, find "real" benefits (value) to sell to your customers and prospects. Help them to see how great their life is with your product, and you've got a customer. Point out their current pain, and your contact will do anything to get rid of it.

Set your prices and hold fast. If you've marketed correctly, you will still have customers anxious to do business with you!

Cash is King

Cash is the lifeblood of any small business. Here are some tips to help ensure that your business maintains a sufficient cash flow to meet its financial goals and keep running efficiently.

Toughen up your credit policies. Review the payment terms you offer to customers and tighten them up if slow payment is a problem area for your business. For instance, how long are customers given to pay? What action will be taken if a payment is missed? Be sure your credit terms are communicated effectively to customers before transactions are entered into.

TIP: Consider requiring advance payments 'at least in part' for new customers.

TIP: For many businesses, a routine credit check should be performed before a sales or service transaction is entered into with a new customer.

Come up with a budget - and stick to it. Surprisingly, many small businesses do not engage in the budgeting process. A budget can be

extremely effective in helping you keep track of whether cost- and revenue-related goals are being met. Depending on the size and complexity of the business, the budget process might be informal or formal, lengthy or simple. Projected revenues and expenses should be broken down by months.

TIP: If you don't already do so, budget for next year's revenues and expenses near the end of each year.

Tighten up billing. If collecting bills has become a problem for your business, you might want to consider increasing the intervals at which customers are billed--e.g., from three months to one month, or from one month to two weeks.

TIP: Review your accounts receivable weekly or even daily to make sure slow payers are not allowed to slide.



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GET BACK TO BUSINESS”**