

BuildYourNumbers.com presents:

3 Steps to
CLARIFYING & CONTROLLING
YOUR BOTTOM LINE



Better Numbers - Better Business™

Diane Gilson, Certified Advanced QuickBooks ProAdvisor

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Welcome!

Please let us know in the “Question” Box:

- Your first name
- Your location
- Your company “type” (i.e., industry and specialty if applicable)



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Ken Horst – Co-host

- *6 Years in Construction industry*
- *Founder/Owner/Operator: Telemarketing call Center*
- *Owner: Mortgage Company*
- *Worked in companies from start-up to over \$400 billion in assets*
- *Direct of Digital Marketing: \$50 million Company with 6 brands in 5 States*



- **Experience:** 30+ years varied accounting experience including 15 Years as a CPA
- **Focus:** Management accounting, job costing, and training for construction and manufacturing industries since 1994
- **Speaker:** Various local and national groups including National Remodelers Shows, Atrium Group, International Builders Show, etc.
- **Developer:** > 90 Online Training Classes, eCPA, AccountingPRO and various other accounting support products, calculators, procedures, templates
- **Author:** Accounting with QuickBooks for Builders, Remodelers & Developers + various nationally published articles
- **QuickBooks Certifications:** Certified Advanced ProAdvisor, Enterprise ProAdvisor, Intuit Solution Provider + others,...
- **Awards:**
 - 2014 and 2015 "**Top 100 ProAdvisor**" (from > 65,000 ProAdvisors)
 - Associate of the year (2006)
 - Distinguished Service to the Building Industry (2009)
- **Service:**
 - NARI National Member (2008 – to current)
 - NAHB National Board of Directors (2007 – 2010)
 - MAHB State Audit Committee (2007 – 2010)
 - Treasurer - HBA (10 yrs)
 - Treasurer - Remodeler Council (2 yrs)

Diane Gilson

*President, Info Plus Accounting, Inc.
Founder, BuildYourNumbers.com*

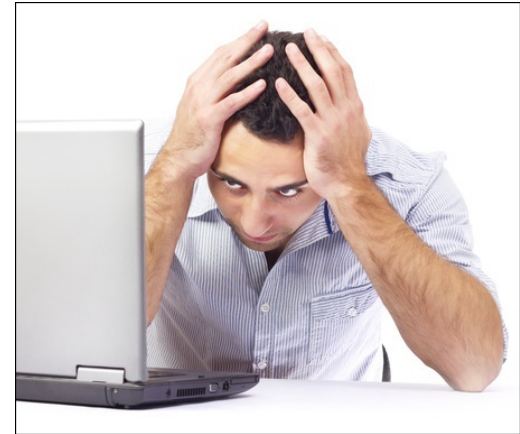


Diane Gilson



Most importantly:

- *20+ years of:*
 - Working w/hundreds of company owners throughout the U.S.
- *I've seen:*
 - How few companies are really 'on top of' their accounting information
 - The pain company owners face when it comes to job cost, employment, and pricing decisions
- *I understand:*
 - The profitability issues that owners face every day (especially those 'bottom line' results!)



My philosophy

BNBB

Better Numbers

→ **Better Business**

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3 Steps to Clarifying & Controlling Your Bottom Line

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First in our “Better Numbers – Better Business” series...

What we’ll be covering today:

- 1. 3 Basic steps and actions you could be taking to organize and CLARIFY your numbers.
(Bird’s eye view)**
- 2. Explore how a clearer view of your numbers can help you CONTROL your bottom line results.**

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- At the end of our meeting, I'll share how to **get the recording, the Excel Template, the Checklist, and the PowerPoint slides**. So stick around to get these bonuses!
- Large time investment in preparing this info for you. You'll get real value if you're able to **focus on each step**.

So **please remove distractions** 😊

(cell phones, email, FB, co-workers dropping in, etc.)

- We'd like **your ideas, comments and insights** throughout! Please enter these in the **Question (vs. Chat) Box!**
 - ✓ Ken's going to be monitoring and sharing...
 - ✓ If I don't get to your question...

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I WON'T:

- Step through specific procedures for “How to do this in QuickBooks”.
- Provide detailed Chart of Accounts
- Do a high-pressure “sales pitch”.
I WOULD like to take a few minutes, mid-stream to let you know about some of the resources I’ve developed that you may find to be useful...

Is that OK?



*"What gets measured,
Gets managed."*

Peter Drucker

Peter Drucker (1909-2005) was an American management consultant, educator, and author, whose writings contributed to the philosophical and practical foundations of the modern business corporation.

He was also a leader in the development of management education, he invented the concept known as management by objectives, and he has been described as "the founder of modern management".

From Wikipedia, the free encyclopedia

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Bob's story:

In July, Bob asks his bookkeeper for his company reports

- Business is picking up but
- Customers want lower prices
- He's been busy in the field and shop
- Believes he's been profitable on jobs
(but "small jobs" may be a problem)
- Cash flow seems to be tightening up
- Lagging behind on paying suppliers
- Employees are asking for raises
- He looks at the bottom line and becomes very puzzled (and very worried!)

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Here's his financial report. Can we help?

- **What DO we see in this report?**
 - ✓ **Income**
 - ✓ **Expenses**
 - ✓ **Loss of \$_____**
 - ✓ **Date range**
 - ✓ **Accrual basis**
 - ✓ **Generic “out-of-the-box” accounts
(not customized to Bob’s business)**
 - ✓ **Accounts in alphabetical order**

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Here's his financial report. Can we help?

- **Is it accurate?**
 - ✓ **How often are reports accurate?**
 - ✓ **Should always check**
 - ✓ **For now, we'll assume it's accurate**

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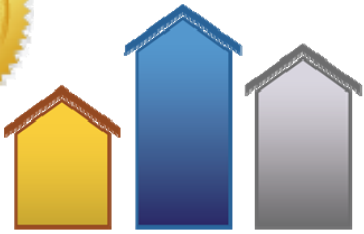
Here's his financial report. Can we help?

- **What DON'T we see in this report?**
 - ✓ **Costs of Production**
 - **Direct (relationship to job is obvious)**
 - **Indirect (relationship to job is not obvious or very difficult to assign)**
 - ✓ **Gross Profit (Income less costs of production)**
 - ✓ **Company Overhead (Costs required to keep company running – usually not related to income)**

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1. Split costs into separate accounts

- Investigate costs
- **Decide how costs could be split** between company overhead and costs of production
- **Establish accounts to show more detailed types of costs** (see spreadsheet for examples)
- **Assign costs to detailed accounts**



BuildYourNumbers.com
with Info PlusSM Accounting, Inc.
Toll free: 866-244-2228
Help@InfoPlusAcct.com



What do we do?

- We help business owners, bookkeepers, and accounting professionals create **management accounting systems** that clearly show **which jobs make money**, **which jobs lose money**, and how to use this information to **increase profits**.
- We help you "Build Your Numbers" using **online training classes**, **industry-specific accounting products**, or **personal web-based consulting and coaching**.
- The ultimate goal? To **empower your business to create the lifestyle you deserve...**

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Bonuses:

- The **Excel Template & Checklist**
- The **PowerPoint slides.**
- The **Recording** (*available within a few hours*)

Go to: <http://buildyournumbers.com/3-critical-steps/>

- **Special limited time offer** to participants through 9/30/15:

Save 50% on Your First Month

of QuickBooks Desktop Job-Cost Training

"Construction Accounting & Management Program(CAMP)"

Enter this code at checkout:

CAMP50BNBB (enter and "Apply")

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2. Re-assign account types as needed

- **Direct production costs to COGS**
- **Indirect production costs to COGS (or Expense)**
- **Company overhead accounts to Expense**
- **Interest, corporate taxes, and other “non-typical, non-operations” costs to Other Income and Other Expense**

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2. Organize accounts (*continued*)

- **Create group headers for COGS & assign accounts:**
 - ✓ **Direct labor and burden costs**
 - ✓ **Other direct production/construction costs**
 - ✓ **Indirect production/construction costs**

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- 2. Organize accounts (*continued*)**
- **Create group headers for Expense (Company overhead) & assign accounts:**
 - ✓ **Marketing & business development**
 - ✓ **Admin & owner employment costs**
 - ✓ **Occupancy/facilities costs**
 - ✓ **Office expenses**
 - ✓ **General & admin**
 - **Add “% of Income” calculations**

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2. Organize accounts (*continued*)

- **Assign Other Income & Other Expense accounts to that account type. “Non-operations” or “Non-typical” costs such as:**
 - ✓ **Interest income, Interest expense**
 - ✓ **Corporate taxes (not payroll taxes!)**
 - ✓ **Snow plowing, temporary rental income and related costs**
 - ✓ **Gain/loss on sale of fixed assets**

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- 3. Assign production income and costs to jobs**
 - **Create customers and jobs**
 - **Assign income and costs to jobs**
 - **Allocate labor burden to jobs**
 - **Compute gross profit \$ amounts & %'s for each job**
 - **Analyze, investigate, and take corrective action**

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Next seminar in our continuing series:

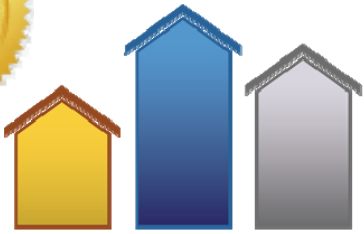
- **Wednesday, October 28**
- **Saturday, October 31 (Halloween!)**
- ***Q: Would you like 90 minutes or do you prefer 60?***

If you're on our email list, you'll receive a notice BUT

- **You're already registered for this series and**
- **You'll automatically receive reminders!**
(unsubscribe if you don't want to receive reminders or attend)

If you liked this seminar – let friends and business associates know about these seminars, our blog postings, and resources...

(Let's all benefit by masterminding our business improvement ideas !)



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