



BUSINESS QUARTERLY

2006-Volume 2
(DENTAL EDITION)

BUSINESS AFFAIRS...A CASE STUDY

It is not uncommon, because we provide accounting and business management services, for clients to look at our business as immune from the bumps and stresses of operating an everyday small business. We are looked upon as planners and strategists and therefore, should have all the answers.

In some respects this is true. We are planners and strategists and as a result develop rational plans to deal with any business issues that may arise. However, just because you have a plan, doesn't mean you don't encounter bumps and bruises along the way.



Case in point, this past August, three of our staff members in Barrie ceased to be staff members.

Nicole Rinella, who generated many of our monthly reports, retired. **Marian Zaba**, who had been crunching numbers for many of our clients for the past 7 years, had decided to embark on a new career path, and went back to school (to become a lab technician). Finally, a short term receptionist, lived up to her billing...short term. They all left within one week of each other.

As for Nicole and Marian, we are very happy for them as they are about to embark on a new exciting phase of their lives.

Nicole and husband Joey plan to make the most of their retirement by visiting with

friends and family. We wish them all the best in health and happiness.

Marian is in school until the end of this year. She keeps in touch via e-mail and is finding the new challenge very rewarding. We wish her success in her new career.

In one week we had a team of 7 and in the next week we had a team of 4. The knee-jerk reaction was to scream. We did scream and we felt better, but it didn't solve the problem.

We sat down as a group and began to strategize. First, we reflected on our objectives for you, the client. Then we put short term and long term strategies in place to achieve those objectives. And finally, everyone was given an action plan to which they were held accountable.

In the short term, we brought in temporary staff so that we would minimize any slow down in our Production. We expected to experience a slow down due to learning curves. We also realized Production would be affected by the process of checking the temp staff's work.

While the temp staff continued to produce for us, we then embarked on a recruitment campaign.

As difficult as this event was, it also presented us with an opportunity. Because replacing half the staff is such a monumental ordeal, it is also the ideal time to implement new ideas.



We have done just that.

In September, **Doug Gray** joined our Barrie team. Doug is a Certified Management Accountant (**CMA**) and has a Masters of Business Administration (**MBA**). As described on the CMA Canada web site:

To earn the CMA designation, prospective members must:

1. Complete a University Degree
2. Pass the [Entrance Examination](#)
3. Complete a two-year [Strategic Leadership Program](#) while gaining Practical Experience in a management accounting environment.



What does this mean for our clients, Doug provides Business Affairs with another resource for analytical thinking and progressive strategy development. Those of you who are accustomed to receiving memos from me (Frank) for your monthly reporting, may have noticed the memos have changed slightly since the end of September. This is a result of Doug's influence.

In addition to Doug, we have also hired a new Administrative Assistant, **Marlaine Ramsbottom**. Among other administrative duties, one of Marlaine's key responsibilities is incoming phone calls. Her unique experience as a church administrator makes her the ideal person to be the first point of contact for the company. We expect you will find her as personable and efficient as we have.

We are not yet done adding to the team. The recruitment process continues. We

could not be more proud of the staff in Barrie and what they have had to overcome in the last two months.

More importantly if you find yourself dealing with a business issue with which you have little comfort, please contact us, as we have most likely dealt with the issue before and will be able to shed some light on the most appropriate course of action.

FRANK FASCIA - CFP™

Recently, I earned the Certified Financial Planner™ designation. The process involved two and a half years of educational training and an entrance exam.

The Financial Planners Standards Council regulates the CFP™ designation. Their web site describes the designation in the following manner:

What do the letters “CFP” mean?

The letters “CFP” stand for Certified Financial Planner. The CFP marks identify individuals who are dedicated to the highest level of professionalism in providing financial planning advice. The CFP credential assures that the planner adheres to internationally recognized professional standards of competence and ethical practice as set in Canada by the not-for-profit Financial Planners Standards Council (FPSC). CFP standards include requirements in education, examination, experience and ethics – commonly known as the 4Es of professionalism.

From a business perspective the objective was to marry our clients' business and personal affairs so that a holistic approach to their financial affairs could be achieved. This means

being able to relate business finances to personal finances for the purpose of achieving personal financial goals.

The entrance exam is written twice per year by prospective candidates, normally in June and November. I wrote my exam in June and was one of the 44% of participants that passed the exam.

The financial planning process consists of six steps. These six steps help clients get the most out of the process:

1. Establish the client—planner engagement
The engagement letter explains the issues and concepts related to the overall financial planning process that are appropriate to you. Further, the letter will outline the services to be provided and the process of planning and documentation.
Finally, the letter will summarize the responsibilities of both the planner and the client
2. Gather pertinent data and determine your goals and expectations
The process includes gathering personal and financial information, as well as establishing financial planning goals and objectives (i.e. “where do I want to be 10 years from now from a financial perspective) based on personal preferences and values.
3. Clarify present financial status and identify any problem areas and opportunities
This process entails identifying opportunities and threats in the areas of Capital needs, Risk management needs and coverage (i.e. Insurance), Investments, Taxation, Retirement planning, Employee benefits, Estate planning and Special needs (i.e. adult dependent needs, education needs, etc.)
4. Develop and present the financial plan
5. Implement the financial plan
The planner would assist in implementing the recommendations if preferred by the client. This may involve coordinating contacts with other professionals such as

investment funds sales representatives, accountants, insurance agents and lawyers.

6. Monitor the financial plan

This step identifies who will be responsible for monitoring the plan and the frequency of the reviews. This step determines to what extent goals are being met and to what extent goals may need to be modified depending on changes in circumstance.

As a CFP™ I have no interest in selling products. This means I do not sell insurance or investments. My only



interest is in developing a personal financial plan that will allow you to use a map

towards an end objective. In many cases, people may not have a clear end objective or goal. Part of the process involves helping people formalize and articulate their short and long term goals.

If you would like to chat to discuss how the financial planning process can be of benefit to you, please contact me in Mississauga by phone (866-322-7022) or e-mail (frank@businessaffairs.ca).

RRSP LIMIT

Please note, if you regularly make the maximum contributions allowable to your RRSP and if you earned \$100,000 or more last year (2005) as a sole proprietor or an employee, the maximum contribution for the 2006 tax year is \$18,000. If you are unsure how this impacts you, please contact us.

TAX TIPS AND TRAPS

We have included a Tax, Tips and Traps newsletter for your reading enjoyment.