

Everyone Wins

Co-operation, thrift and efficiency are the best ways to keep a small business going.

Owner-managed businesses rely on their employees to meet the demands of customers. Indeed a driving force for many owner-managers is ensuring that sufficient business is in place to provide employment for both themselves and all their employees. Any employer will tell you their most painful task is informing employees with whom they have worked with for years that they must be laid off.

It is not the sole responsibility of the owner-manager to solve all the problems of the company and the employees.

Since there is no guarantee the clients or job of today will be available tomorrow, owner-managers and employees working together to maintain company profitability is the best way to ensure continuous work.

The cost-saving models of large corporations are not available to smaller businesses where management and employees must work together to maintain profitability.

Here are a few areas in business where owner-managers and coworkers can save money and thereby benefit the bottom line.

Use Time Wisely

"Time is money," Ben Franklin said. Use time efficiently and do not fritter it away:

Be on time every day.

- Start working at a predetermined time rather than arriving at the work location on time and then spending 15 minutes getting ready to work.
- Put in a full day's work. If possible arrange car repairs or dental appointments on your days off or at the end of the business day.
- Stick to the scheduled break and lunch times. Stay within the time limit.
- Determine whether overtime is really necessary. Overtime slowly eats at mental acuity and physical endurance and over the long term may actually reduce efficiency.
- Purchase a coffee maker and make coffee at the office.
- Educate family and friends to limit their calls, texts or emails to emergencies.

Information is Power

Keep all appropriate coworkers informed of what is happening on your project. Getting the job done on time is important, especially if the company you work for does not get paid until the job is done. If the company doesn't receive payment, additional strain placed upon the cash flow may necessitate a bank loan to make payroll.

Train Backup

If only one person is trained to drive the front-end loader and that person is not there, productivity stops. Without productivity the job doesn't get done and no one gets paid.

Manage Office Utilities

We all are aware of the high cost of utilities in our home, but often do not give a second thought to the cost of utilities at the office or plant. Shut off lights in washrooms, kitchenettes, storage areas or shop areas when you leave. Turn down the heat or air conditioning before long week-ends.

Communications

Communication has become a high cost for most businesses. When out of the office consider whether it is necessary to answer every call or respond immediately. Before leaving your communication zone on business, consider whether the company should consider a "roaming" package to keep costs down. Take care of communication devices. Lost, stolen or damaged equipment cost the company money.

Consider using communication platforms such as SKYPE to reduce the cost of long distance charges or to replace face-to-face meetings with video conferencing.

Getting the job done on time is essential.

Company Vehicles

There are a number of ways of reducing the cost of operating company vehicles.

1. Obey all traffic rules to avoid fines and an increase in vehicle insurance.
2. Reduce additional fuel cost by not idling, speeding or making jackrabbit starts.
3. Reduce excess wear and tear by staying within its performance criteria.
4. Maintain and log proper maintenance schedules to ensure warranties are not violated.
5. Transport more than one person to a jobsite.
6. Plan shopping or pickups to avoid duplication or backtracking from the worksite to the local supplier.

Protect Your Data

The downtime from lost data is always expensive. Follow existing backup procedures. Establish a system whereby Day One work is backed up on Disk One, Day Two work is backed up on Disk Two and Day Three work is backed up on Disk Three, etc. On Day Four backup on Disk One and follow the routine. This should ensure your data is never more than one day behind if the systems crash. At least once a week, backup all files and locate them offsite whether using a "Cloud" facility, an external hard drive or a local offsite server.

Ensure that a master password and specific authorization for all key sites is available to key personnel. This will allow access to data in the event an employee is absent or terminated.

Client and personnel confidentiality are essential to avoid possible legal action. Employees should be instructed to encrypt all data sent via Internet.

Travel Expenses

Travel expenses can mount up. The incentive-points earned for staying at specific hotels or eating at certain dining establishments may bias us to spend more than we would spend if we were paying for the trip for our own personal pleasure. Certainly it is important to portray an image to our clients, but at what cost to the business?

Payables and Receivables

Maintain constant vigilance over receivables and payables. Do not overextend credit to clients; constantly follow up on receivables. Pay payables on time to ensure your suppliers will continue to grant credit and not force the business to increase an existing line of credit. Employees and owner-managers should always be vigilant for changes in delivery times or payment times that may be a sign of a troubled supplier or customer.

Promote the Business

Everyone in the company needs to promote the business. Participation in community events creates positive images for the company that may be more effective and less expensive than advertising.

Many employees feel it is not their job to get business. Nothing could be further from the truth. Promoting the business you work for provides work for the company. If an employee is aware of a potential client, it should be mentioned it to the owner-manager. Even a small job could lead to something bigger or a long-term contract.

Everyone from owner-managers to employees would like to say with certainty that 2012 will be a banner year. Although no one can predict what the future holds, working together to reduce unnecessary expenditures and promote the business is definitely a process that is a money saver.

This'n That at Logan Katz

Logan Katz in the Community

On March 13th Logan Katz LLP hosted an Open-House for the students from University of Ottawa Telfer School of Management.

On March 14th Gary Katz and Jason Valente spoke to a group of individuals for the Ottawa Regional Landlord's Association (ORLA) on Taxation of Rental Income.

On March 14th Logan Katz staff members participated in our firm's 16th annual complimentary tax clinic where they prepared tax returns for Ottawa's low-income and senior residents.

On March 23rd David Logan participated as a judge member at the 2011-2012 Prizes in Entrepreneurship and Innovation (PEI) Student Competitions, an engineering competition involving the undergraduate and graduate students from the University of Ottawa's Faculty of Engineering.

On March 26th, Logan Katz LLP contributed their services to prepare tax returns on a complimentary basis for members of the Ottawa Regional Cancer Foundation at the Maplesoft Centre. This service is intended for those suffering from cancer who have little or no means to pay for someone to help with preparing tax returns.

Every Friday of March and April Logan Katz will be "Dressing Down for Cancer" in support of the Ottawa Regional Cancer Foundation (OCRF). All donations from staff members go directly to the OCRF.