



## Are You Driving Your Business Or Is It Driving You?

The New Year is always a good time for reflection. It's often a time when we look back and wonder where the time went.

The question that often comes to the mind of the business owner centers on what has really been accomplished over the year.

We often say that a business is nothing more than a vehicle to get us to our destination and that destination is a personal one.

Chances are that when you first set yourself up in business you did it with a personal goal in mind. That goal may have been about spending more time with the family or having a higher level of disposable income or even more independence.

Too often we lose sight of these important goals as we get distracted by the things going on in our business. If we allow it to happen, the business will take control of our lives. And that's not the way it was ever meant to be.

To make 2012 your most successful year yet it is important for you to understand what it is that you would like to accomplish in your personal life.

***"It's important to give your business the best chance of helping you to realize the goals."***

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## U.S. Citizens in Canada A word from Dean

If you are a "U.S. person", which include U.S. Citizens, green card holders, or an individual who has spent at least 183 days per year on average over a three year period, you are required to file a U.S. tax return each year.

In addition "U.S. persons" who have foreign bank accounts are required to report the account details and the highest yearly balance of each account for that year to the U.S. Treasury Department. This is called the FBAR filing (Report of Foreign Bank and Financial Accounts) – form TD F 90-22.1. This is perhaps more important than the tax return, as the maximum penalty for not filing is 25% of the highest value and in some cases possible criminal prosecution. The deadline is June 30 each year.

For those who have not filed a return in the past, the I.R.S. has a Voluntary Disclosure Program (OVDI) that closed September 9, 2011. Under the Voluntary Disclosure Program, the amount of the penalty is set out by statute. If you have filed your US 1040's and your Canadian tax returns each year and filed on time, you may qualify for the OVDI penalty of 5%. The I.R.S. requires filings for the years 2003-2010.

We understand that the disclosure required for U.S. persons is getting more onerous in the coming years. In addition to the FBAR reporting, if the aggregate value of all "specified foreign financial assets" held by a U.S. person exceeds \$50,000 per year, certain information will be required to be included on their income tax returns.

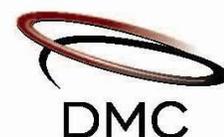
Specified Foreign Financial Assets include any deposits (including RRSP's, RESP's, RRIF's, TFSA's, etc), stocks, and any other assets maintained in a foreign financial institution. Failure to make this disclosure will result in a minimum penalty of \$10,000 yearly. A 40% penalty will be imposed on any understatement of tax attributable to these assets.

Beginning in 2014, Foreign Financial Institutions are required to file with the I.R.S. details on any accounts that they hold for U.S. persons. Failure to disclose this information with the I.R.S. will cause the institution a 30% withholding penalty on all of its U.S. income. This legislation affects all Banks and Trust companies just to name a few.

*We would advise you to please seek professional help with filing your U.S. 1040 returns and the other required reports. We do not prepare U.S. tax returns but can refer you to professionals that do.*

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## Planning to Improve Your Profitability

We often say "what you measure you can manage" and "what gets managed gets done". When it comes to achieving greater profitability, truer words cannot be found. The fourth way of growing a firm, which is improving the effectiveness of the things that you do, is a vital part of assisting you to better manage the results.

We often talk about the importance of focusing your profit improvement strategies into some key areas. They are to increase:

- a) The number of desirable clients,
- b) The number of times each client makes a purchase, and
- c) The average amount they spend on each purchase.

These are the major areas that can be managed by measuring their impact on overall profits and the good news is they can be measured with relative ease.

Identify your Critical Success Factors (CSF's) by asking three questions:

- 1) What are your most profitable products/clients and what makes them so profitable?
- 2) What resources are required to support your firm?
- 3) What are the things that keep your clients coming back, recommending you and paying a good price for your product or service?

Once these questions are answered you should then plan on how you can monitor the effectiveness.

*"Recognize your Key Performance Indicators (KPI's) and place more or less emphasis on each area depending on the trend."*

At the end of the day, a profit improvement plan is only effective if your return on investment (ROI), your net profit margin and your bank balance are improved simultaneously. Constant review and management of your CSF's is the key to sustainable profit and ROI over the long term.

And that's exactly what our Financial Performance Reviews and Business Health Checks are designed to help you with.



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And the best way to do that is by way of setting specific actions and strategies and ensuring that you implement them.

You can be sure of being on track by setting up waypoints, milestones or deadlines which can guide you toward these goals. As you pass each particular milestone it is so important to celebrate them. That gives the opportunity to take a breath, refocus and continue on that journey.

It is often a good idea to be accountable to a third party when you are serious about achieving a goal.

The Weight Watchers franchise excels as a result of this. The success is a result of clients making an open declaration of a goal and being accountable to a third party by regularly stepping on the scales in an environment that is more than just the individual.

This means there is less chance of making feeble excuses and provides a better chance that the action steps to achieve that weight loss are implemented.

But if you are serious about achieving the changes in your firm that are truly going to make a difference in your personal life then you should involve us in that process. We have tools and resources designed to help set specific goals for your business, monitor your progress and give you the best chance of implementing them over 2012.

### GRATITUDE GOES A LONG WAY!

While evaluating the close of one year and making plans for the upcoming year ahead, it is a valuable tip to remember the worth of a reward. Simple tokens of your appreciation towards clients, staff and team members can pave the way to smoother transactions throughout the year.

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## Managing Your Sales Leads

The measure of the successful pursuit of a lead is based on whether the lead, in time, turns into a sale. The key to this transition lies in both speed and perseverance. A systematic organization and management of these leads can also help secure their progress through the stages of prospect to hot lead to profitable sale.

While niche marketing and aggressive targeting of audiences can start you off with strong prospects, these must quickly be converted to "suspects", and then "leads" (cold, warm or hot).

Consider the five Phases of Lead Management when constructing a system to provide you with the best chance of achieving the most successful conversion rates.

Firstly, make contact. A strong, interactive and multi-layered marketing scheme paired with a sustainable budget will begin to draw out your prospects. The better you're planning, the less work required. By immediately drawing out already interested prospects, you can qualify them as suspects right away.

The next step is to assertively qualify these prospects and leads. Assess the list of prospects for the value or viability as a potential lead. Often a series of questions is the best way of determining the 'sales readiness' of a prospect.

*"Lead planning and generation require active marketing and will be where you sustain most of your costs."*

Follow the simple formula of D.A.R.N: Desire, Authority, Resources and Need.

Consider each factor when evaluating prospects and qualify them numerically, i.e. assigning numbers 1-5, determining the viability of the possible lead.

The third step of five is to distribute these now qualified leads for pursuit. Consider the scale of each lead and assign appropriately, for example, assign your hottest leads for fastest follow-up. Ensure that you are recording any and all information gathered on the lead.

At this point, it may be a worthwhile investment to look into different software systems (Customer Relationship Management Systems or CRMS) designed for managing leads. These programs will organize and systemize your leads, allowing for simple management, clear organization and timely follow up.

Step four is to nurture your leads. The quality of your relationships will be the determining factor when it comes time for your prospect to make decisions. Perseverance and dedication will outlast your competition and increase your chances of a sale. Lastly, take the time to evaluate and measure the success of your system. Investigate your overall costs and which strategies worked and which did not.

Measure your return by determining your client conversion rate (CCR) and your client acquisition cost (CAC). The CCR is the percentage of new clients divided into the number of leads generated. The CAC formula is to divide the cost of generating leads by the number of new clients.



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## DMC's goal is to be as Green as possible

As stewards of our environment, we believe in looking for green applications in business. Recycling is an important practice for any office that seeks to be Green. As part of our Green culture we are a "paperless office" and do all of our documenting through a computer system. The paper that we do use gets scanned, saved, shredded and recycled. We have installed plastic, glass, cardboard and metal recycling containers in our lunch room to promote Green behaviours. Our DMC Team initiated the program. To further our Green culture, we would like to ask if you would be interested in receiving our newsletters through email and save the paper that it takes for the newsletter as well as the envelope it is sent in. If you would like to be added to our emailing list, please call us at 250-564-2660 with your email address handy, or fill out the form on the right and send it back to us at 696 Brunswick St., Prince George, B.C. V2L 2C1, or fax it to us at 250-563-3281. You can even email us and let us know at reception@dmca.bc.ca. Thank you for helping us go Green!

*To receive our newsletters by email, please fill out the form below and return it to us at your convenience...*

Your Company Name:

Your Email Address:

*Thank you!*

### **A new year – a new Inbox.**

**A clean and well-sorted Inbox can save you valuable time and is less overwhelming and stressful. Utilize the organizational structure provided by your e-mail service and start by sorting your emails into folders and reduce the pile-up. Set up a time, like once a week, for sorting and organizing your emails. Filtering emails is one of the easiest ways to promote and maintain sorting and upkeep. Filter however it works best for your needs; based on contacts, categories or subject lines and as messages come in they can be automatically relegated to their designated filter folder. With a small amount of time each day you can take back control of your Inbox and improve your response time, reduce your stress levels and keep up with due dates and important notifications.**

