

## Memorandum

To: Clients, Associates & Friends of Pro@ctive CPA  
From: Mark L. Wyssbrod, Managing Member  
Date: August 1, 2013  
Re: Which way to go?

In this memorandum, you will receive information about the following:

- A beautiful discovery in the wrong location
- Business gifts & employee rewards
- Deadline reminders
- Financial ratio of the month

Please contact me should you have any questions. Turn that frown upside down!

### **Introduction: A beautiful discovery in the wrong location**

Imagine being surrounded by magnificent sky scraping mountains, trees and fresh air. How relaxing and inspiring! I just arrived home from a trip to the Sierra Nevada Mountains in southeastern part of California. This is the home of Mount Whitney, the tallest peak in the lower 48 states, and Mount Sill which are both over 14,000 feet in elevation.

The plan was to arrive early the day before and to get our bearings and the next morning we would wake up early to summit Mount Sill. We began the summit challenge by visiting Willow Lake—a stunning lake surrounded by titanic mountains. In case you are unfamiliar this mountainous area of southern California, Willow Lake is not on the way to Mount Sill.

So what happened? The group made a left-turn instead of a right early on in the hike. An honest mistake but a three-hour mistake nonetheless; after that introductory hike, I knew I wasn't going to summit that day. During the hike back to the parking lot I realized how a small, simple mistake could have devastating outcomes. I also knew not to over-react. Was I a little disappointed? Of course, but I knew getting upset would not solve anything.

Instead, I decided to get in the SUV the group rented and visit Death Valley National Park and Manzanar Relocation Center, a US Japanese-American detention camp in World War II.

Your attitude, your words, your reaction, and your body language can affect the outcome of a scenario. Will you let your emotions get the best of you or will you find a creative solution?

Sometime our mistakes can lead to amazing discovers, just like penicillin or in my case, Willow Lake. However, we can only see our negatives turn into positive experience and knowledge with the right attitude.

Attitude is everything,

Mark W.

## **Stay focused in times of crisis**

A dark cloud is above you and nothing seems to go right. In a matter of fact, you have already said out loud “what can go wrong next?” Then, it happens. Your frustration is now hard to hide, and you feel a little beat up. How are you ever going to make it through this?

- Prepare, don't panic
  - Have a disaster plan
  - The more you have plan and have practiced that plan the less likely you will be to panic
  - Anticipate before a crisis the potential weaknesses which may cause problems
- Stay calm
  - Control your breathing
    - Take deep breaths to slow your breathing and heart beat
    - Your brain needs additional oxygen and deep breaths help
    - Hold your breath and count to five (5)
  - Move slowly
    - Just like around the pool, walk don't run!
    - You do not want to trigger your adrenal glands
  - Communicating
    - Count to ten before you respond
      - This helps you not over react
    - Speak in a calm voice and select non-aggressive words
  - Set aside your emotions
    - In times of crisis your emotions, we tend to over react
    - Be mindful of what needs to be completed
  - Surround yourself with others
    - We are social creatures and being with other humans provides comfort
- Stay focused
  - Remember the mission on hand

- Do not be distracted
  - Many people end up on side tangents by using “buts” and “ifs”
- Focus on solutions
  - Reason about ways you will provide solutions
  - Do not get down on yourself for all of the things you think you should have or could have done to prevent the situation
  - Give yourself positive affirmations
    - Trust in your skills
    - Believe in yourself that you will make it through
- Implement solutions
  - Take action
    - If you know what needs to be done, do it
    - Execute solutions the best you can
  - Be a leader
    - Create (positive) excitement and encourage others to follow your example
    - Allocate responsibilities
      - You are not alone
      - A team effort can implement solutions quicker
  - Be flexible!
    - You may implement one plan to realize you need to head in a new direction
  - Visualize success!

We have all gone through periods of change, full of stress. It is difficult to determine who leaders are during the “good times”. True leaders emerge during the difficult stages and provide solutions which motivate and encourage others.

Be a genuine leader,

Mark W.

### **Deadline Reminder: Important Dates to Remember!**

- August 15 - Second extension for non-profits
- September 16 - Final due date for C and S corporate, partnership and trust tax returns
- September 16 - 3rd quarter estimated tax payments
- October 1 - SIMPLE IRA setup deadline
- October 15 - Final due date for individual income tax returns

## **Financial Ratio of the Month**

Accounts Receivable Days (ARD) reflects the average length of time between sales and receipt of payment. It is different than Accounts Receivable Aging Summary which indicates the time an invoice is outstanding.

$$\text{ARD} = (\text{Accounts Receivable} / \text{Sales}) \times 365$$

ARD can be a barometer of your overall liquidity. The lower the ratio the better!

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