

# Pro@ctive Advisory

Interact With Your Advisor

To: Clients, Friends, Family & Associates of ProActive Advisory  
From: Mark Wyssbrod, Managing Member  
Date: January 1, 2015  
Re: Time to take a new approach

In this memorandum you will receive information about the following:

- Thinking like a contrarian
- New changes in 2015
- Deadline reminders
- Financial ration of the month

Please contact me should you have any questions. Embrace change!

## Time to take a new approach

The traditional actions this time of year include trying to lose weight and plan for 2015. Unfortunately, for most people who plan on losing weight, the sacrifice is short lived, and they do not actually change their long-term behavior. Therefore, history tends to repeat itself and in 12 months the same individuals will be making the same New Year's resolution with the same results.

Likewise, many small business owners plan for the year in January. As the year progresses they get busier and busier. Their side tangents and distractions do not allow them to implement any of their ideas or strategies. In a year, the small business owner may recall they had big plans and ideas, but how quickly their year went by without implementing any of their grand ideas.

This year, perhaps we should take a new approach. Instead of focusing on goals and sacrifices we know we are unlikely to implement for the long-term, let's focus on small behaviors we can obtain. This will allows us to have small victories which we can build on! With that in mind, perhaps we should focus on changing our lifestyle to eating healthier or working out instead of having the goal of weight loss.

For small business owners, perhaps we should focus on increasing operational efficiency instead of grand strategic thoughts that never are implemented. Focus on maximizing day-to-day operational efficiencies!

Please do not misunderstand: Strategic planning is critical for small businesses! Long-term planning should be done! However, if those large plans are not implemented, then it is a good daydream, but you still wake up in a poor performing reality. I am emphasizing that perhaps it is

time to think a little differently and to attempt a new approach—don't forget to look at the small pictures (as well as the large ones) this New Year's season!

Best wishes for positively changing your behavior in the New Year,

Mark W.

## New changes in 2015

New tax law changes will affect our businesses and individual returns in 2015. Below please find a selection of new rules, which may cause change in your life.

- Mileage rate
  - \$0.575 per business mile for 2015
  - \$0.23 for medical and moving
  - \$0.14 for charity
  - Mileage must be documented in order to receive a deduction
- Gifting
  - The annual gift exclusion is \$14,000
- Social Security
  - Wages and self-employment income subject to Social Security increased to \$118,500

## Deadline Reminder

*Remember to renew your INC or LLC with the Secretary of State. You will need to register with each Secretary of State your business operates in.*

*Remember to file your business personal property tax returns timely.*

## Important Dates to Remember:

January 15 - 4th quarter estimated taxes due for individuals and trusts

February 2 - 4th quarterly and annual payroll tax returns due (i.e. employers must issue W-2s to employees by this date).

February 2 - 2014 1099s due to vendors and investors (1099-MISC, 1099-INT, 1099-DIV, etc.)

## Financial Ratio of the Month

Return on Equity (RoE) = Net Income / Total Equity

RoE is the measure which indicates how much profit is being returned on the shareholder's equity each year. RoE is an important measurement from the shareholder's perspective! The higher the RoE, the better!