



Small Business Essentials



WHAT EVERY BUSINESS OWNER
NEEDS TO KNOW

Who's Who



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- 10+ years in banking, HR, education



Takeaways

When you leave this workshop, you will:

1. Understand how to pay yourself as a business owner
2. Understand how to leverage credit to grow your business
3. Understand how and when to offer employee benefits
4. Understand how and when to offer the best retirement benefits to your employees
5. Understand how and when to scale





Ground Rules



HOW TO ASK
QUESTIONS



RECORDING THE
WORKSHOP



DISTRIBUTION OF
SLIDES

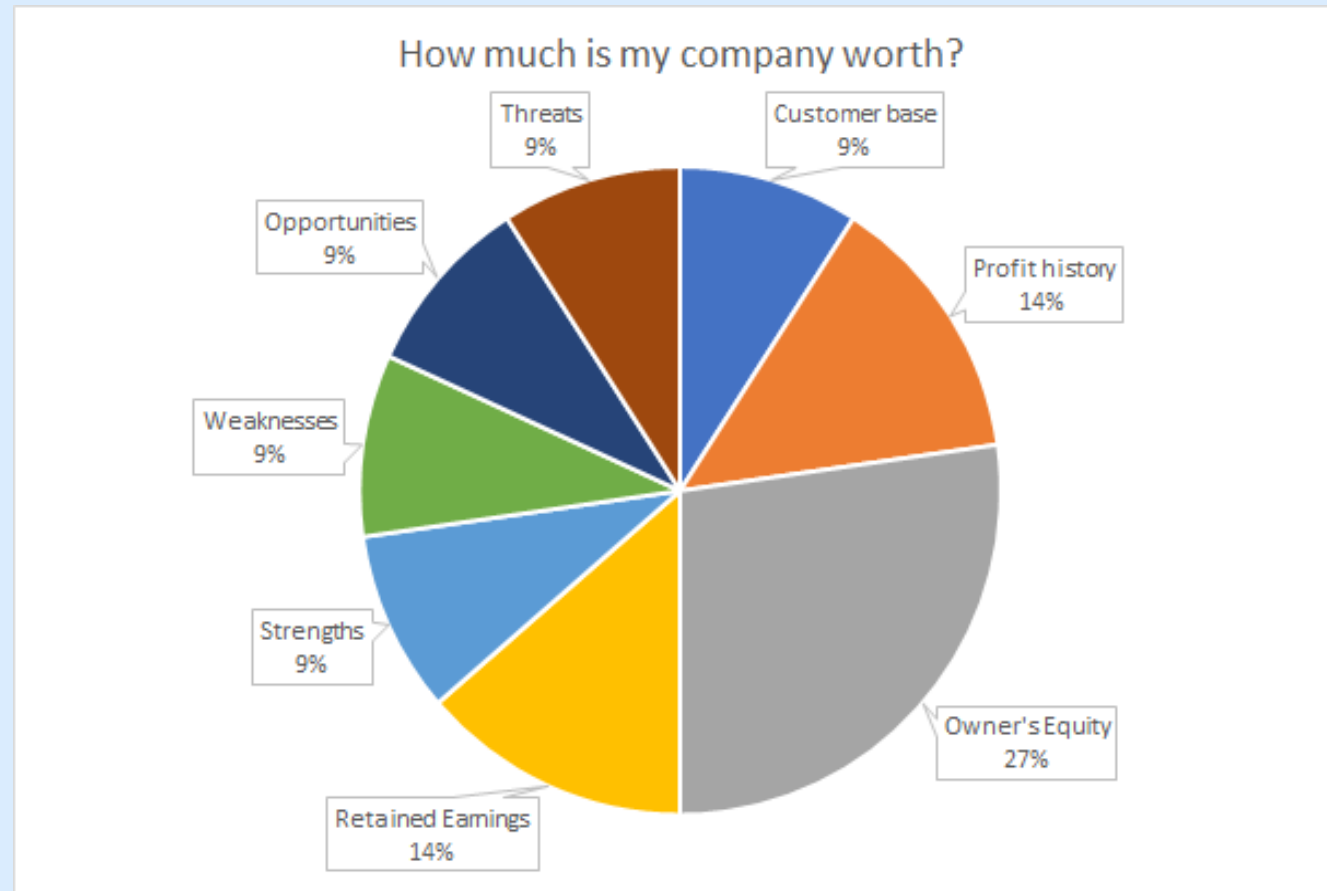
How *do* you pay yourself as a business owner?

(first you must know what your business is worth!)





What is your company worth?





Owner's Equity

What is it?

How much cash would be left over, or you would have to pay, to close your business today.

How is it calculated?

$OWNER'S\ EQUITY = ASSETS - LIABILITIES$

Assets & Liabilities

ASSETS	LIABILITIES
Cash in the bank	Bills (A/P)
Equipment that has real value	Loans & interest on loans
Money your customers/clients owe you (A/R)	Accrued promises to pay (payroll, taxes, etc.)
Investments	Lease payments



How do you pay yourself?

Timing

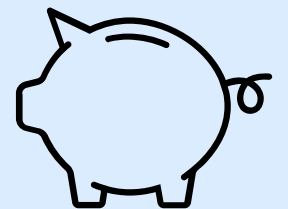
- How long have you been in business? What are your personal cash-flow needs?

Classification of your business

- Are you a sole proprietorship? An LLC? A corporation?

Role

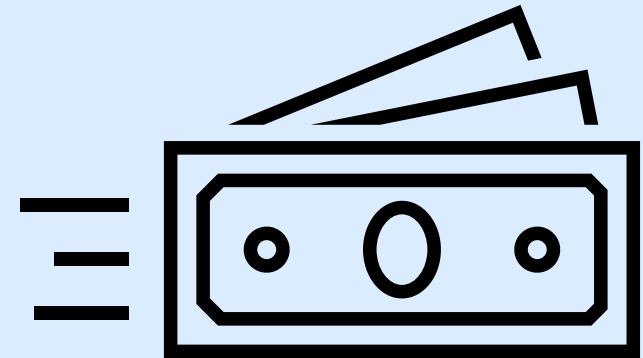
- What is your role within the company?





On Payroll

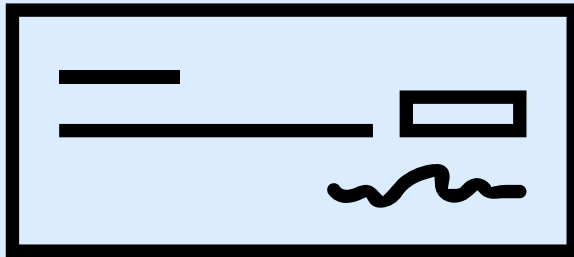
- Lowers the taxable income of the business
- Subject to payroll tax
- Not available to certain entity types
- S-Corp & C-Corp officer-employees **MUST** be paid a "reasonable" wage or face IRS penalties





Distribution (or Draw)

- Does not lower the taxable income of the business
- Payroll-tax free
- Can be a "red flag" for tax-evasion by the IRS





Next Steps

Payroll

- Understand business cash-flow
- Set up as an employee
- Set up accounts with the state/Feds
- Determine your payroll taxes/compliance
- Contract with a payroll provider or design and implement your own payroll system

Distribution

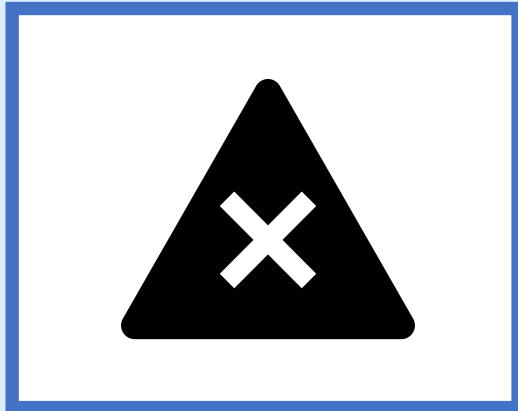
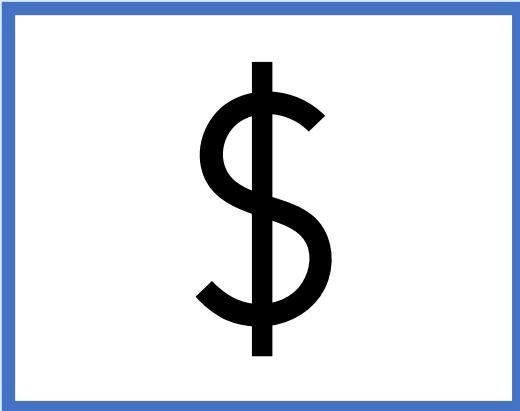
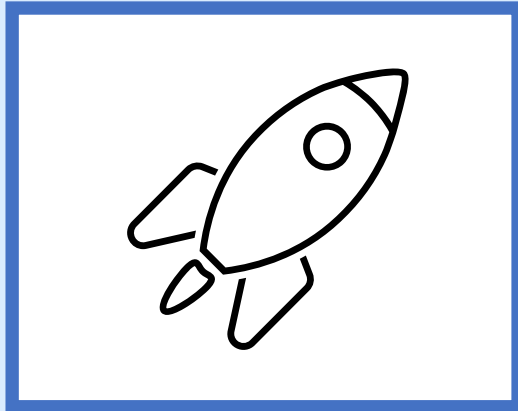
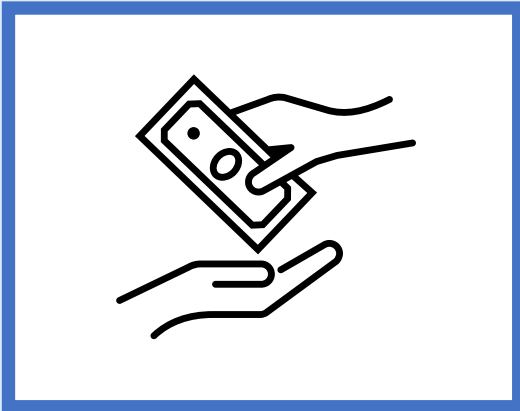
- Understand your owner's equity
- Review your operating agreement or other operating documents
- Review your Financial Reports
- Document appropriately



How do you leverage
debt to grow your
business?



What is business debt and how does it work?



Debt can be the roadblock that prevents you from success or the vehicle that helps get you to your end goal.



The Tools to Leverage

Common Business Loans (and why they make sense)

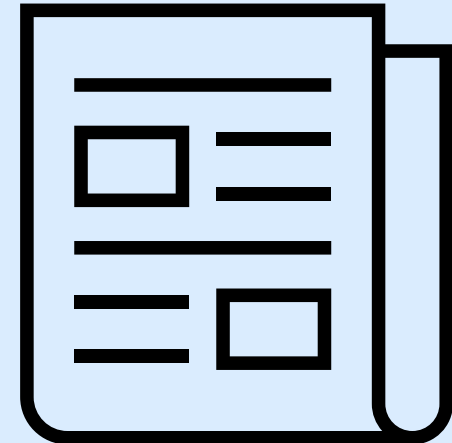
- Commercial Real Estate (CRE) Purchase
- Equipment Purchase
- Line of Credit
- Credit Card
- Partner Buyout



Common Items Reviewed

What story do they help tell?

- The Application
- Business and Personal Tax Returns
- Profit & Loss
- Balance Sheet
- AR, AP, COVID Impact, etc.

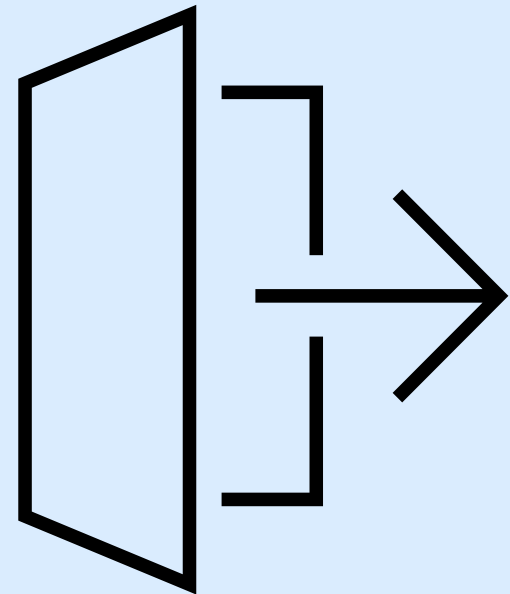




Now What?

Know your exits. Ask the important questions.

- What other options do I have?
- What else could I be doing with my money?
- Who's on my team of financial experts?





What do you need to know about offering employee health benefits?



You are NOT alone

Find yourself a broker with a focus on education:

- No cost to you.
- Able to find the best rates and make comparisons.
- Able to EDUCATE and break down confusing terms.
- Able to make recommendations based on your unique business needs.
- Able to find creative solutions.



Why offer benefits?

- Retaining and attracting talent
- Keep employees happy and healthy (1 of the top 3 benefits that make employees the most satisfied)*
- Premiums are a tax-deductible expense for your business
- Lowers employees' taxable income on the portion they pay
- The right thing to do (most of the time)

*Glassdoor survey



All or Nothing?

Small Group Medical Insurance

- A policy bought by an employer and offered to all eligible employees for purchase with contributions from the employer

Virtual Care

- Often an inexpensive middle ground
- Mental Health, Common Ailments, Prescriptions (no controlled substances)

Health Savings Accounts

- Employee owned

Health Reimbursement Accounts

- Employer owned
- Tax advantages

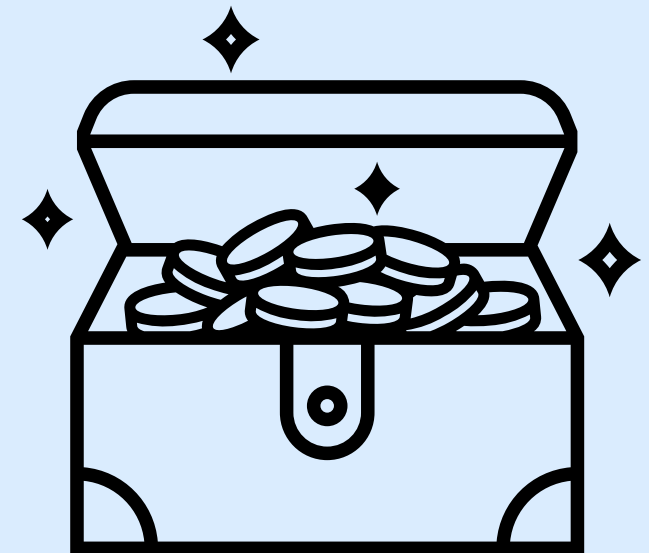


What do you need to know about retirement plans?



Shop Around!

- Not all providers offer the same type of retirement solution/service for plan sponsors.
- Different plans have different costs.
- Customer service varies.





Conflict of Interest

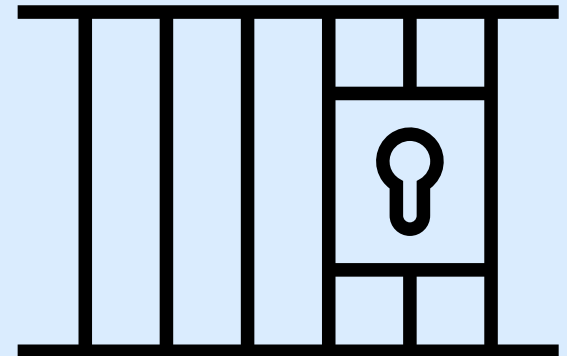


- Separate your plan participant's education & advice provider from the fund provider to avoid conflict of interests on proprietary fund options.



Fiduciary Risks

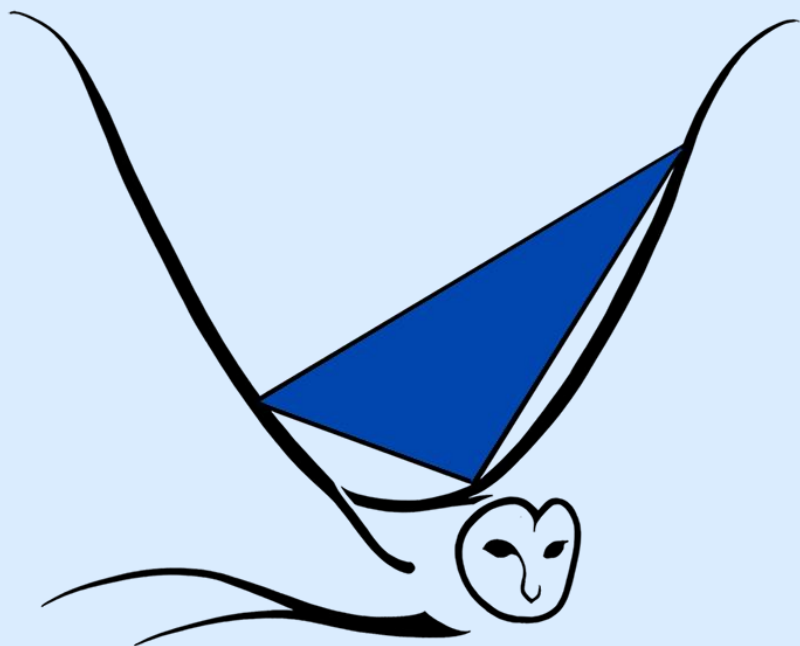
- Including ERISA 3(21) or 3(38) Fiduciary Services as part of your investment advisory package will decrease the business owners' fiduciary exposure on offering the plan- *which is unlimited.*





Education is Key

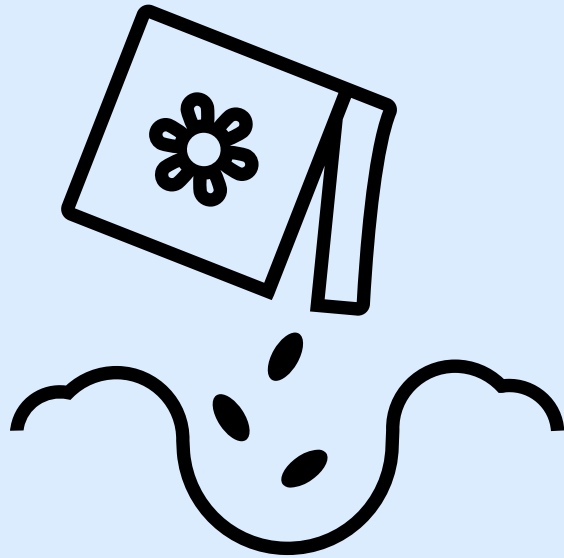
- Offering a robust education program determines the success of your employees in its use.
- The plan provider can cover education for you- but only at the simplest (beginner) level.



When is it time to grow?



Why not grow?



Fear of growth

- Loss of culture
- Loss of control

Lack of planning

- Too busy with the day-to-day
- No direction

Signs it's time to grow

EVERYONE IS DOING EVERYTHING

- Backlog of things we'll get to later.
- No clear ownership or responsibility
- Manual effort and extra hours replace automation and planning.

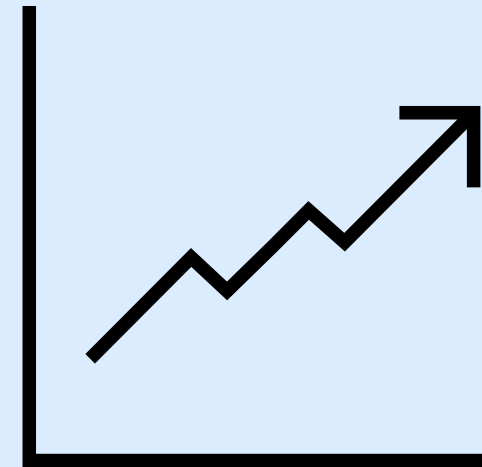
ONE PERSON DOES IT ALL

- Typical in owner run businesses
- "I have to do it, no one else knows how"
- Compromising growth and expansion for control



Factors for successful growth

- Align growth with where you want to go
- Maintain your core competency and strengths
- Clear delegation and assignments
- Diversify to increase your perspective





Tools to help along the way

Find a tool based on your needs to help you with:

- Time Management
- Documentation, Task Tracking
- Goal Setting
- Diversify Tools



Next Step: Grow!

- Highlight the bottleneck – And focus on it!
- Understand your strength
- Diversify perspectives
- Delegate
- Set up processes



Thank you for joining us!

- Your feedback is important. We will be sending you a brief survey via email.
- All those who complete the survey and leave an email address will be entered to win a discount with Archimedes C&C.

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Want to further explore
any of the topics covered
today? Contact us to
schedule a
complimentary
consultation.

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