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Senior Management Services (SMS) presents:

"PROFITABLE VENTURE TACTICS EZINE"

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THIS ISSUE: How NOT to set up your Finance Department.
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1. Mi ke, for whom do you write PVT?
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I write PVT for anyone who has interest in starting, organizing, managing, or developing a business, whether it's your own business or someone else's.

Many subscribers want to start or build their own business.

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 "Keep away from people who try to belittle your ambitions. Small people always do that, but the really great make you feel that you, too, can become great."  
 -- Mark Twain  
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Long ago, I made two lists:

1. What I love to do, and
2. What I hate to do.

I decided to turn what I loved to do into business(es) and eliminate what I hated to do as much as possible.

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 "Dream and pursue your imagi nation and goals.  
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Do anything that stirs your creativity--read, write, draw, observe and travel. Learn what you enjoy and excel at, whether it be model-building, drawing, writing or construction... above all, enjoy what paths your life travels and learn from each experience."

-- Doug Wolf, Project Manager,
Walt Disney Imagi neering--Fl ori da

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"Work is about a search for daily meaning as well as daily bread, for recognition as well as cash, for astonishment rather than torpor; in short, for a sort of life rather than a Monday through Friday sort of dying."

-- Studs Terkel  
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2. How NOT to set up your Finance Department - or -
How I wasted hundreds if not thousands of hours.

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When I started my business, I read a book called,

"Small Time Operator: How to Start Your Own Business, Keep Your Books, Pay Your Taxes, and Stay Out of Trouble" by Bernard B. Kamoroff, CPA.

Here's what Midwest Book Review says, about "Small Time Operator"

"The new, fully updated edition of a classic presents all the nuts and bolts of building a business; from obtaining initial permits and licenses to locating financing, finding the right business location, developing a bookkeeping system, and hiring employees.

"This newly updated 'bible' of the industry continues to reflect the latest thinking in tax and business management."

The Amazon website says: Customers who bought ["Small Time Operator"] also bought:

"422 Tax Deductions for Businesses and Self-Employed Individuals : You Get a Raise Every Time You Find a Legitimate Tax Deduction" by Bernard Kamoroff

"Start Your Own Business: The Only Start-Up Book You'll Ever Need" by Rieva Lesonsky (Editor), et al

"Keeping the Books : Basic Record Keeping and Accounting for the Successful Small Business" by Linda Pinson (Author)

"Don't Let the IRS Destroy Your Small Business: Seventy-Six Mistakes to Avoid" by Michael Savage

"Tax Savvy for Small Business: Year-Round Tax Strategies to Save You Money" (3rd Ed) by

Frederick W. Daily

Apparently, these writers think business is about paying taxes.

It's not that I don't recommend these books. But, after I read "Small Time Operator" as a "do-it-your-selfer," I spent WAY too much time doing accounting and filling out endless paperwork for Big Brother.

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"A hand from Washington will be stretched out and placed upon every man's business; the eye of the federal inspector will be in every man's counting house...

"The law will of necessity have inquisitorial features, it will provide penalties, it will create complicated machinery. Under it, men will be hauled into courts distant from their homes.

"Heavy fines imposed by distant and unfamiliar tribunals will constantly menace the taxpayer. An army of federal inspectors, spies, and detectives will descend upon the state."

-- Virginia House Speaker Richard E. Byrd, 1910, predicting results of federal income tax law.  
~~~~~

Eventually, I turned the work over to a bookkeeper and a CPA.

Still, I had no Finance Department or documented finance SYSTEM. But at least I had delegated the work.

I recently attended a business owner's luncheon. Many owners were not making money. Yet, they spent most of their time discussing taxes, write-offs and loopholes.

They spend so much time talking about - and worrying about - taxes that they don't have any time left to generate "income" to tax!

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"I do sympathize with people struggling to make it financially. But let's remember [taxes take] more of our income than all other expenses combined. How do we eliminate those taxes? By not accepting the "freebies" and the dependency that comes with them."

-- Joseph Farah

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"Ask any tax accountant, any tax lawyer or even your neighbor where in the legal code it is written that a natural-born citizen of any state in the United States must pay federal income tax. They won't be able to tell you, because NO SUCH LAW EXISTS. And yet, they play along with the charade on mere hearsay, because at heart, they are terrified that the evil eye of government will be turned in THEIR direction."

-- Vox Day [emphasis added]

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3. HEY! WHAT HAPPENED TO THE BUSINESS DREAM?
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Businesses start and fail in the U. S. at an amazing rate!

Every year, over 500,000 people start a business.
Within one year, 40% are out of business. Within five
years, more than 80% fail.

So, what happened to the business dream?

See an interesting explanation at:

http://www.seniormanagementservices.com/intro5\_what\_happened.html

If your business doesn't give your customers something
they want, they won't give you the money to summarize on
your income statement and balance sheet!

So, I write PVT to emphasize how to build business.

Sure, you gotta build an effective Finance Department -
but that's just PART of the job.

At SMS, the Finance Department is divided into three
Departments: Accounting, Administrative, and
Information Management.

Each of these Departments is further divided.

Remember - The Organizational Strategy is based on
FUNCTIONS, not people. When you're starting out, you
fill many functions and wear many hats.

For a review of the Organizational Strategy, see

http://www.seniormanagementservices.com/10\_organizational\_charts.html

For further discussion about Organizational Strategy, see PVT
Issues 2, 3, 4, 5, 11, 17 ... at:

http://www.seniormanagementservices.com/pvt\_back\_issues\_ckpt.html

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4. How to Implement Creativity via Imagining
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Walt Disney Imagining is the master planning, creative
development, design, engineering, production, project
management and research & development arm of The Walt Disney
Company.

Its talented corps of Imagineers creates -- from concept
initiation through installation -- all Disney resorts, theme
parks and attractions, real estate developments, regional
entertainment venues and new media projects.

The best source of advice on how to become an Imagineer is
from the Imagineers themselves (The Disney Magazine, Winter

1995, page 49):

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"[Executive designer and longtime Imagineer] Rolly Crump told me of some advice Walt Disney had given him: Become a student of life, be interested in everything. Be a life sponge, soaking up, observing and recording anything and everything of interest. Develop an attitude where you never stop learning."
-- Joe Lanzisero, Senior Concept Designer
~~~~~

"Never pass up the opportunity to see new things, draw things, build things, talk to experts and learn new skills. I learned how to invent machines of all kinds over the years. I've worked as an auto mechanic, machinist, carpenter, factory worker, artist, concept engineer and many other trades. Some were for money and some were just for fun, but I learned from every one of them."  
-- Bruce S. Johnson, Research and Development  
~~~~~

"'Educational Path' doesn't just mean classroom teaching. I think a lot of my education came from working at Disneyland. It also came from taking courses-- psychology, nuclear biology, wood shop-- seemingly unrelated to what I was studying. Taking nothing but design courses might make a good designer, but taking a variety of courses will make a better Imagineer."
-- David Durham, Show Designer
~~~~~

"...find out everything you can about everything. If you are an artist--draw, paint, sculpt and write. If you are a writer--read, write, paint and sculpt. You never know what you're capable of doing until you start doing it. More than anything, work hard and stick with it. Remember, the only time you will find success before work is in the dictionary."  
-- Kevin Rafferty, Show Writer  
~~~~~

"Pick a career you really like--I'm not kidding about this--even if it is something other people may tell you is not trendy, 'has no future' or seems to have a low probability of success, like art or botany. I think you can only be successful if you really like what you are doing."
-- Ben Schwegler, Research and Development
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"Don't give up...Wander far and wide in your quest for experience. Don't just limit it to what you perceive as the world of Disney. Imagineering is always growing, too. It is always looking for new realms, styles and possibilities."  
-- Larry Nikolai, Show Designer  
~~~~~

For books about Imagineering, see
<http://www.imagineering.org/books.html>

If you have questions or comments or want assistance, call

or send me an email at
[mailto: Mike@SeniorManagementServices.com](mailto:Mike@SeniorManagementServices.com)

Until next week...

Best Regards,
Mike Hayden
Principal / Consultant
Your partner in streamlining business.

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PVT READER COMMENTS  
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"Congratulations with the new [PVT] communication tool.

Receiving your E-zine was educational as always and the timing is even a bit mystical.

I enjoyed it very much for content and have envisioned using some of your proven techniques (with attribution, of course) in a current consulting project. Cheers."

-- Chuck, Consultant,
BestOne, TrainingDevelopmentCommunication

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Re: PVT 6 (The 5 Conditions - and what to DO about them.)

"Very interesting (5 Conditions) thanks for sending this to me."

Harry, Action Marketing

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Re: PVT 11 (More about "Balanced Goals. ").

"Hi Mike, Powerful exercise. Reading the story was better than a jolt of caffeine for early Monday morning."

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Hi Mike, Wow, thank you! I had forgotten about your multiple services. How's biz? Best regards,

-- Charles, Professional Recruiter

(Obtain PVT Back Issues at:  
[http://www.seniormanagementservices.com/pvt\\_back\\_issues\\_ckpt.html](http://www.seniormanagementservices.com/pvt_back_issues_ckpt.html))

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..... "CLIENT COMMENTS" .....

"Dear Mike, ... thank you for all the effort and time

... for being flexible in the times of the day (nights) that we could work... for thorough research, design, organization, writing, layout, accuracy ... was impressed when the manual passed our stringent Configuration Control Board without changes. Your effectiveness as an individual was a major key to the success. Excellent!"

-- C.N., Product Marketing Specialist, Diasonics, Milpitas, CA.

[http://www.seniormanagementservices.com/client\\_catalog\\_page5.html#Diasonics](http://www.seniormanagementservices.com/client_catalog_page5.html#Diasonics), Inc.

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ABOUT MIKE HAYDEN:

Mr. Hayden has helped 2Bridge, 3Com, Abbott Labs, AMD, Amdahl, Applied Materials, Applied Materials, Bank of America, Concept Systems, Crown Zellerbach, Cutek, Diasonics, Geoworks, Harris, IBM, Intel, ITT, JPL, LaserSonics, Link General Precision, Lockheed, Measurex, Qume, Rolm, SRI, Sun, UltraTech Stepper, VLSI, and many more.

Mike Hayden founded Documentation Express in 1974 and Senior Management Services (SMS) in 1984. SMS is a business-consulting firm that helps clients increase profits by re-engineering processes, managing quality, and reducing costs. He is also an expert in organizational development and strategic planning.

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<http://www.SeniOrManagementServices.com>

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..... "CLIENT COMMENTS" .....  
"Interaction with our personnel is effective ... services free of problems."

-- M.M., System Network Manager, IBM/ROLM, Santa Clara, CA.

"... professional and appropriate ... always punctual ... well coordinated."

-- J.C., System Engineer, IBM/ROLM, San Jose, CA

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Thanks!

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