

2018

8 Keys To Preparing Your Business For The New Year

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The conclusion of the calendar year is a hectic time for many business owners as personal and family commitments are layered on top of a busy work schedule.

It is often a time when individuals reflect back on the year in terms of personal accomplishments and challenges that were overcome. It can be an opportunity to take some time to reflect back on your business in a similar context.

At Vine and Partners, we have had the pleasure of working with many successful entrepreneurs over the past 52 years and based on that experience we have compiled the following list of suggestions which we believe could serve as a useful guide to those wishing to use the holiday time to reflect on the past year and reposition for the New Year.

The following is our itemized list of suggestions for the entrepreneur to consider in resetting their business for the New Year:

1. Review Your Last Year Baseline

- Ensure your numbers are reasonably solid and accurate as of November or December.
- Summarize your results highlighting key results (i.e. sales trends, margins by major product or service lines, operating costs, net income, liquidity ratios, etc.).
- Results should be benchmarked against targets or budgets for the past year.
- Results should be charted for at least the past 3 years to illustrate trends and business momentum.
- Meet with your management team and your accountant to solicit their observations.

2. Review the Performance of Your Team and Your Advisors (including your lawyer and accountant)

Start with Reviewing Your Own Performance

- What did you achieve, what did you not achieve?
- How effective were you?
- Are you performing functions that you are not suited to do?

Consider a 360-degree review where a member of your team solicits input from other team members on your own performance.

Review the Performance of your Internal Team

- Did they meet their targets and objectives?
- Did they meet your expectations?

Review the Performance of your Advisors

- Are they meeting your expectations?

3. Planning – How Effectively Did You Implement Your Plans in the Past Year?

- Did you have a corporate and tax plan established early in the year?
- Did you monitor the results of new initiatives? How did you do?
- Did you fail to implement some of your plans? Why?
- Did you set goals for yourself and your business last year? If not, why not?
- Did you utilize your advisors and internal team members in the planning process?

4. Government Legislations and Grants that You Must Consider Next Year

- Are you aware of any legislative changes that will impact your business?
(i.e. Labor laws, tax changes)
- Are you aware of government grant programs and whether you may qualify?
- In planning for the New Year, involve your accountant in determining what impact the government may have on your business and how you will adapt to the changes.

5. Review Big Picture Items such as How You Compete in Your Industry, What Has Changed In Your Industry, and The Economy Generally

To effectively plan for the future, you need to understand how the landscape may be changing and incorporate new strategies into your planning.

- In a fast-changing world, do you need to redefine what business you are in or at least how others see your company?
- Have you considered involving your key team members in a big picture review of how your business should be positioning itself, given the speed at which technology is changing the perceptions of your customers? You do not want to be obsolete without having a proactive strategy to adapt.

6. Avoidance of Complacency

- Are you seeking to implement new concepts or plans each year in a proactive fashion?
- When was the last time a change initiative was implemented in your business?
- Have you implemented or considered the impact of new technological developments on your business?
- Have you discussed the concept of innovation with your team or your accountant?

7. Holistic Planning - Have You Considered Planning For Your Family?

Too often, the personal or family side of planning is placed as a lower priority behind business issues and often remains neglected. Consider protecting your family through the following:

Estate Planning Review

Identify estate tax minimization strategies and quantify and plan for the payment of the eventual estate tax liability.

Transition Planning Strategy for the Business

- How will the business survive your death or your incapacity?
- What role will the family eventually play in the business?

Are all family members included in individual tax planning for the next year?

8. Setting Corporate Goals and Targets for the New Year

The Business will not be focused if goals and targets are not established.

- Do you have targets and budgets established for the New Year?
- Are your various team members consulted in setting these goals?
i.e. have they personally committed to attaining the goals?
- Are you going to monitor your progress to these goals throughout the year?
Is there a reporting system in place to monitor your results?

If you would like to discuss any of these items further or require assistance in implementing any of the suggestions, please do not hesitate to contact us at (905) 549-8463.