



Newsletter 1

President's Message

All Over The Map

I'm sure most of you are counting the days until the current 'Winter from Hell' is over. Extended cold temperatures. . . most snow in February since the Lions won the superbowl (something like that, anyway). In fact, as I write this there is still 2 feet of snow on the ground. . . Ba-da-bing!



2 feet of snow

None of this in-between, 45 degrees and gray outside, nonsense.

Interestingly, the northern lower peninsula and the eastern UP -- traditionally the "snowbelt" areas in Michigan -- have had *unusually low* snow fall which has prevented me and many other winter sports people from being touristy. In fact, **lots of businesses 'up north' are really hurting** to the point of closing up.

Meanwhile, it's snowing in Texas, Arizona, Arkansas, etc. Curiously, we haven't been hearing much on the Global Warming front lately. *Hmmm.*

Weather is just the tip of the iceberg, however. We are in interesting, if not historical times literally watching technology facilitate political revolutions around the world -- Egypt, Tunisia, Libya, Iran, etc. **It's both exciting and worrisome at the same time -- one of those "be careful what you wish for" scenarios.**

Not sure if you realized this, but a little over a year ago, North Korea devalued its currency by 2 zeros. . . because the government decreed it. **If you had 100 "won" on Dec 2, it was worth only 1 won on Dec 3.** And, the government would only convert a limited amount -- effectively wiping out wealth overnight. (Check out <http://www.timesonline.co.uk/tol/news/world/asia/article6940482.ece> to learn more.) Think about that for a minute. . . some nutcase in power arbi-

trarily decides your money's too valuable or you have too much of it and changes the game overnight. **It's good to get the crazies out of leadership. . . as long as they're not replaced with someone worse.** Hopefully these countries avoid the "same circus, different clowns" routine.



Joshua, Nash and Rachel

On a personal note, we had a setback this winter. **For those of you who've been reading this newsletter for a few years, you may remember I wrote an article about how our dog had ACL surgery ([Winter 2007](#)).** (Roughly a year later, he (Nash) tore his OTHER ACL and so we went through the entire ordeal all over again. Including the economic discussion.

Well, about a month ago Nash reached a point where arthritis had taken too big a hold and he was basically immobile. So we were faced with the difficult decision of saying goodbye to our old friend. Nash was 13 (roughly 77 in human years) and he will be missed!

Best Regards,

Todd Rammler, CMA, MSA
President



Insert your own caption here. . .

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"There are 2 types of people in this world: those who are humble, and those who will soon be humble" -unknown

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What's Happening?

New Faces—Brian Bach, CFO Brian is a strong Financial and Operations Leader with broad experience in retail, wholesale, service and distribution organizations. Brian's experience spans more than 25 years and includes positions as a Commercial Banker, Financial Analyst and Branch Operations Manager. These experiences led to being named Controller and then CFO for a well known retailer and service company. Over his 17 year tenure he helped the company grow from a single store \$4 million business to a multi store \$20 million operation. In 2004 Brian took a new CFO position with a \$50 million multi location sales and service dealership. In 2008 Brian founded CFO Service LLC., assisting clients with part-time CFO services, focusing on financial, operational and project management. Recently Todd and Brian have combined efforts to bring a more streamlined approach to providing financial management under the Michigan CFO umbrella. You can reach Brian at bbach@michiganCFO.com. To read Brian's full bio, [click here](#).



Brian Bach, CFO



Todd at the A.C.E. '11 Event

A.C.E. Event. In January we attended the Annual Collaboration for Entrepreneurship (A.C.E.) in Ann Arbor. Over 800 people attended the event which featured breakout sessions on getting your business funded, cool new technologies & businesses, and the ever popular elevator pitch competition. We had a great time and met a ton of people at our booth. For more information on A.C.E. visit www.ace-event.org.

NEW!



Our brand new "CFO Tool Box" – request one today!

The "CFO Tool Box". Our newly created "CFO Tool Box" contains a wealth of information, worksheets, CD/DVD, articles, diagnostic tools and more. [This is a GREAT introduction to what a CFO can do for a business](#) and will make the intangible tangible. If you know a business owner that could use the help of a CFO, but needs a gentle "nudge", this will open their eyes and get their attention. Email me at trammiller@michiganCFO.com to have a Tool Box sent to someone you know.

The Story Behind the Numbers

By Brian Bach, CFO

As a contract Chief Financial Officer (CFO), I often meet business owners who view accounting as just another cost of doing business - a non-revenue generating function necessary for compliance and paying taxes. What they fail to realize is the real strategic value in learning the "story behind the numbers," and it does not have to be a mystery novel.

A standard income statement has three basic sections:

- 1) Sales or Revenue
- 2) Cost of Goods Sold
- 3) Operating Expenses

Deeper exploration into each of these areas can uncover some interesting story lines.

Sales/Revenues

This section reveals your pricing and customer purchasing habits. What are your average sales per customer or per order? Who are your best customers, what are they buying and how often do they buy? What products do you sell most and what is your mix? Are you selling more or less over the past month or year compared to last year? How do these trends match the inventory you carry?

Cost of Goods Sold

This section tells the story of how you acquire materials, services or labor to purchase or make what you sell. How often do you purchase and what is your average purchase size? Who are your best vendors and how much do you purchase from each? Which vendors offer payment discounts and are you taking advantage of their offers? If you buy more do you get better price or terms? Has a vendor raised their prices over last month or year? Is it time to comparison shop your major supplier?

Operating Expenses

This last section highlights your supporting cast of characters: advertising, promotion, administrative and occupancy costs that support the operations of a business. Are you measuring your ROI on advertising? (It's not impossible.) Are your payroll or benefits costs out of line? Are you carrying excess staff? What about your landlord, is your rent overpriced compared to current market rates? This is where the story can drift away from the central theme.

When you don't know the story, you're missing an opportunity to steer your business into a new and exciting chapter. The story behind the numbers doesn't have to be a mystery if you take the time to study the books.

Would you like to better understand your company's "story behind the numbers?" [Contact us](#) for a free consultation.



Client Spotlight on...

Donna Zobel, President, Myron Zucker, Inc.

Myron Zucker Engineering was founded in the 1950s by Myron Zucker, an engineer, who realized the need to improve the electrical power quality within industrial and commercial facilities. Mr. Zucker developed the capacitor at-load concept which is still used today. Myron Zucker, Inc., now based in Sterling Heights, provides power quality solutions to customers throughout the world.

In a nutshell, what exactly is "power factor correction" ?

Power factor is a measure of electrical power delivered compared to electrical power required. Improving (or correcting) power factor reduces the amount of electrical power delivered for the same amount of power required.

The total electrical power delivered consists of active power and reactive power. Power factor correction capacitors provide the reactive power, therefore reducing the total power delivered from the utility.



Donna Zobel

What types of companies can benefit from MZ products?

Large industrial and commercial facilities that use electric motors to run their operations will benefit from our products. For example, approximately 70% of the U.S. industrial electrical energy is consumed by electric motors. When our products are installed in the facility, the utility bill will be reduced.

What's the outlook in your industry for 2011? What are you excited about?

Competitiveness around the world is forcing businesses to reduce their operating costs as much as possible. Over the past few years we have seen an increased awareness in power factor correction as a way to reduce operating costs. At Myron Zucker Inc. we are excited about the opportunity to provide products and services to help companies become competitive by reducing their utility costs and increasing their profits.

What is the biggest challenge you're facing right now?

Securing export working capital and insurance to develop our global market.

MZ traditionally has employed many family members. What advice would you have for family members who are thinking about working together?

When you are working together at the business, put the business first and make decisions that are best for the business. Outside of business, put family and personal interests first. Avoid bringing family issues to work and work issues to family as much as possible.

What's the most expensive lesson you've learned in business?

The big print giveth and the fine print taketh away. No seriously, read contracts thoroughly, check your math, then check it again (decimal points are critical), and when in doubt, always seek the help of professional advisors.

Best book you've read in the past 12 months & why?

"Make It In America: The Case for Re-Inventing The Economy" by Andrew Liveris, Chariman and CEO of the Dow Chemical Company. Published this year, the book explains the role manufacturing plays in order to have a thriving American economy. This is a must-read for anyone who believes in both America's greatness and future.

Top 3 fun activities you do outside of work?

Snowboarding in northern Michigan, sailing in the Great Lakes, and Morel mushroom hunting—where ever they can be found!

Contact Information:

Donna Zobel
www.myronzucker.com
Sterling Heights, MI
P: 586-979-9955



Sailing in the Great Lakes



Snowboarding in Northern Michigan

Todd, on behalf of APACC, we want to thank you for your contribution and participation in our Financial Management Workshop. From your involvement in the planning of the presentation content to the delivery of your honest and expert knowledge, we achieved our goal in providing value to the entrepreneurs by enhancing their knowledge of financial management tools and how to prepare to seek funding resources.

Thank you once again for your time and contributions to the success of the seminar.

-Theresa Chiang, Membership & Events Marketing Manager, APACC - Asian Pacific American Chamber of Commerce

Michigan CFO Associates

The CFO for *Small Business*

12900 Hall Road, Suite 455
Sterling Heights, MI 48313
586.580.3285



The beach on Lake Superior

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Michigan CFO Associates

The CFOs for *Small Business*

12900 Hall Rd, Suite 455 Sterling Heights, MI 48313
586.580.3285 x 201

www.michiganCFO.com / info@michiganCFO.com

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