
MANAGING YOUR FIRM'S RESOURCES: HAVING THE RIGHT PEOPLE IN PLACE HELPS COMPANIES WITH FINANCIAL GOALS

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Sandy Rosen, CEO and partner of GLR Advanced Recycling, has experience hiring financial professionals.

Michael Sosnoski, financial adviser for Troy-based **Northwestern Mutual**, helps an average of 50 business owners every year plan and pursue their financial goals.

His top advice to businesses owners regarding managing finances? Don't do it alone.

"It's very difficult for business owners to build, plan and protect (finances) on their own," Sosnoski said. "You have to have the right people in place to help."

Financial professionals can help business owners plan for growth, manage cash flow and offer advice as to what direction to take the company.

These are reasons why Sandy Rosen, partner and CEO of Detroit-based **GLR Advanced Recycling**, has hired financial professionals, including CFOs.

"A lot of companies get themselves into trouble because they don't take time to plan out and manage their own success," Rosen said. "A good CFO is thinking about the long-term debt management and cash flow."

Business owners should also plan for investments strategically rather than pour too much money into the company at once.

"A common mistake is when companies invest in parts which are not needed to begin with," said Neetu Seth, president and CEO of Novi-based **NITS Solutions Inc.** "Start with a small budget and increase your budget as the company grows."

Sosnoski said business owners should have enough reserve finances to sustain not having a paycheck for six months to a year in case anything happens to the company.

"In the growth phase, it's very common (for entrepreneurs) to want to put money back into the business because they feel they get a better return on the money versus elsewhere — but things can turn south, and if you haven't put money away, it can come back to hurt you," Sosnoski said.

In this month's Second Stage, we spoke to three different businesses — including a small company, a second-stage company and a larger company — for advice on building a financial management structure.