

January 2015



The Informed Client

New Year. More Knowledge.

I hope you and your family enjoyed the holiday season and I wish you all a Happy, Healthy and Prosperous New Year!

This is the inaugural issue of The Informed Client. The mission for The Informed Client is to provide some useful insights and thought provoking observations that can add value to your business and can be read in less time than it takes to scan the Google news headers!

I hope you enjoy it and find it useful. I welcome your comments and feedback - just send them to vdivito@vdivito.com.



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More Effective Goal Setting

It's that time of year when many of us make resolutions or perhaps go one step further and set goals for the New Year. I've been doing this for years and it has become embedded in my business and personal life. Here are some key principles that may make your goal setting more effective:

- Make sure your goals are compelling and, **most importantly**, make sure that you know why you want to achieve each goal - if the "why" is strong enough the "how" will take care of itself.
- Commit your goals to writing. I heard of a study done with Yale graduates in 1953 where the graduating class was asked if they had specific goals - many of them did. However, when asked how many had committed those goals to writing only 3% had done so. Twenty years later, those 3% who had committed their goals to writing had a combined net worth that was greater than the remaining 97% of the graduating class combined !
- Share your goals with someone who will help hold you accountable. This could be a business associate, a spouse or a confidante who can serve as a coach (a topic for another day !)
- Your goals need to be embedded in your regular weekly and monthly planning cycle (another topic for another day !) so that they remain visible and progress toward their achievement is actually scheduled. What gets scheduled is much more likely to get done than those things that we merely "intend" or "hope" to get done.
- Finally, **take the time to celebrate the achievement of your goals**. This is an area that most of us take for granted but it is a critical part of the process. Periodically looking back on what you have achieved will remind you that you have the skills, tenacity and persistence, to do whatever you set your mind to. Besides, feeling really good about what you've done serves to confirm your confidence as you set your new goals going forward.

Good luck and I hope to hear some of your challenging goals and achievements for 2015 !

Some Quick Closing Thoughts

- January 15th is the due date for 4th quarter estimated tax payments for calendar year filers.

- Many companies' idea of a budget is to forecast revenues and income for the coming year. However, it is important to take the time to also forecast your balance sheet and the resulting cash flows which will determine what, if any, financing you may need to achieve your forecast. This sounds basic but I've seen too many companies get into a cash crisis despite improving revenue and income statement performance.
- If you have debt make sure to periodically review your covenants - even seasoned controllers/CFO's can take this for granted only to end up with an unpleasant surprise !

Warm regards,

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