

Stewarding Profits, People, Partners & Places



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Stewarding Profits, People, Partners & Places

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What Is Stewardship?

The term “Stewardship” has multiple meanings in various contexts, but the Merriam-Webster definition fits the business context well; “the conducting, supervising, or managing of something; *especially* the careful and responsible management of something entrusted to one's care.” The business world has focused much of its time and resources on developing as large of a monetary return on investment as possible. However, over the past 40 years or so, this has produced an ever growing culture of greed and malfeasance with the likes of Enron, WorldCom, Tyco and Global Crossing. In addition, the income gap continues to grow, with the majority of the wealth of the nation under the control of those who are responsible for leading businesses. The traditional business approach is about focusing on scale and speed, reducing costs, getting bigger, and beating the competition. This approach takes people right out of the equation, and the common good is sacrificed. In the long run, this approach doesn't get us far.

Many of us are familiar with the phrase “the triple bottom line”. This phrase was first coined in 1994 by John Elkington, the founder of a British consultancy called SustainAbility. His argument was that companies should be preparing three different (and quite separate) bottom lines. The triple bottom line (TBL) consists of three Ps: profit, people and planet. I would add a 4th P for partner, representing customers and vendors. TBL aims to measure the financial, social and environmental performance of the corporation over a period of time. In the view of many, focusing attention on all three of these areas creates a sustainable business: A company that creates profits for its shareholders while protecting the environment and improving the lives of those with whom it interacts. It operates in a way that the business, environment and society interests all intersect.



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It is my belief that Corporate America would be wise to begin looking beyond simply attaining as high of a net profit as possible and begin to look at ways to be part of helping a community flourish. When a company generates a reasonable profit, invests in the people that work for it, is careful not to abuse the environment, and treats customers and vendors with respect, the community will flourish. This creates long-term sustainability. Being a good steward of the four Ps will help a business create a positive image with the public, build trust, loyalty, and customers for life.



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Stewarding Profits

The foundation of building a sustainable business is to make a profit. But how much profit is necessary to sustain a business? How much of that profit should be invested back into the business? How much of the profit should go into the business owner's pocket? Good stewardship of profits carefully plans the answer to each of these questions. Long term sustainability of the business is dependent on achieving the proper balance of stewarding the profits of the business. I know of several business owners who have chosen to take a lower salary than some of their employee. This builds loyalty and frees up cash flow to invest back into the business.

Stewarding People

A primary factor in most business' success is the people who work for the business. Caring for the people who work for the business by investing in their education, training, compensation, motivation and empowerment creates a culture and environment that people want to give their best to the company with long term employment. Stewarding people is a formula to create the environment to allow a company to flourish.

Costco is a good example of a company investing in its workers. Going against the norm in its industry, Costco provides a full benefit package to its part-time and full-time workers. They also provide opportunities for workers in the corporate headquarters to transfer to different departments. They actually encourage employees to try different jobs to find the best fit.



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Stewarding Partners

Traditional business training suggests that a successful business is built by getting the most money from the customer as possible and paying the least amount of money to the vendors. Stewarding partners would suggest understanding the value of building loyalty with your customers and vendors by helping them flourish as well. This may mean not charging your customer the maximum price, or giving extended credit terms. For the vendor, it may mean paying the bill faster than when it is due, or not buying from the cheapest supplier. The reward is someday you may need your customer or vendor to offer you a special deal or terms. Building loyalty through stewardship is a great insurance policy.

Costco again provides us with another good example of stewardship. They have a corporate policy of setting a certain gross profit margin for the sale of all of their products. They do not try to squeeze vendors on price to gain additional profits and when they have an opportunity to access a product at below the expected price, they lower the price in their stores and allow their customers to take advantage of the savings.

Stewarding Places

Every business is part of the community that surrounds it. In many ways it is the community that supports the business endeavor. It is important for a business to steward this relationship with the community in a way that allows the community to flourish. Healthy communities creates a healthy business environment. Supporting the civic, education, nonprofit, and faith sectors of the community is good business.



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Pacific Continental Bank and Umpqua Bank are both committed to serving the communities they are part of. They offer to pay for 40 hours per year of community volunteer work for each of their employees. They are also active in promoting and sponsoring local community organizations.



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Some Practical Applications of Stewardship

Stewarding Growth

I'm frequently called in to resolve crises' caused by poor growth planning. Business explodes, yet the business is struggling with inadequate cash reserves. There's demand for their product. However, the cash bottleneck is killing the business before they can produce it. This is why I encourage the businesses I work with to craft their business plan so the cash shortages that growth often produces are built into their expansion strategy.

We may all love a smooth ride, where you barely feel the road; however, most businesses are more likely to be like a driver who alternates between putting on the gas and hitting the brake pedal. Often, business growth feels like you're lurching toward your goal. As a consequence, you need to recognize where the cash flow pinches are likely to come from and plan for them.

Service businesses are especially difficult to scale up. To meet an increased demand for your service, you hire qualified individuals. Then, whether or not you've collected payment from your customer, you have an obligation to pay your new hires. Demand drops, and you have to lay off employees—increasing unemployment benefits costs. This is just one scenario where planning ahead can keep your business financial stable.

Even product-focused companies can find themselves in trouble when growth occurs quickly. The existing supply chain may not have the materials to support increased production. Expanding your facilities may create a whole new set of expenses. Often costs of growth, such as moving expenses, are overlooked or minimized. Capital purchases quickly swallow up cash



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reserves or require financing. No one planned for the loss of your most important customer, and suddenly, manageable debt becomes the bitter threat of bankruptcy.

A product may be easier to scale up in volume if it's technology-based. However, even technology has a volatile side. When software sales' volumes go up, the staff needed to provide support grows as well. Call-center functionality becomes essential, accompanied by equipment fees in addition to employee benefits. In addition, you may find yourself in a pinch between income coming in from sales and expenses going out for employees and training.

It's easy to focus on growing revenue, while ignoring the signs growth is pinching your profits. Unless you have a plan in place to cover irregular demands for your product(s) or service(s), you may find your business is spending more money to make money than it can sustain. This is unfortunate, because planning for successful growth is far easier than most businesses realize. It begins with having an expert evaluate your business model.

Identify How to Grow

1. Determine what scale of growth is best for your business.
2. Detect flaws in your business model that could become issues if you grow rapidly.
3. Perform a company-wide audit to detect anything in management, production, development and especially accounting that would become issues as the company grows. Small concerns rarely shrink with growth.
4. Assess how much debt your business can afford to accept without hurting your long-term business viability.
5. Develop a plan where the costs of asset expansion are anticipated.



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Growth should be great news for your company. By planning for it and factoring in the pressure points growth can produce, your business plan can anticipate your needs, so the money for expanding your business flows at the times you most need it.

Stewarding Key Areas of Expertise

Business owners and CEO's of small privately-held businesses are faced with multiple demands on their time. They are tasked with developing new markets, growing the existing market, keeping on top of changing technology, creating a healthy internal culture, communicating a consistent brand to the marketplace, developing and maintaining customer relations, making major financial decisions, developing business strategies, reporting financial results. The list goes on and on. A common role that a business owner will continue to play as the business grows is the role of Chief Financial Officer. One might think that this would be a natural role for the business owner to take on, and that it really is not as critical of a function to outsource or delegate. However, if a business owner is considering how to steward their business well they might want to consider hiring a CFO to handle this area of their business.

So what really does a CFO do? And is it wise for the CEO to take on this role? Last year Mckinsey & Company published a report¹ identifying four different profiles or strengths that a CFO brings to a business.

¹http://www.mckinsey.com/insights/corporate_finance/todays_cfo_which_profile_best_suits_your_company



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1. The Numbers Person – This person loves crunching numbers and understands the internal workings of the company from a financial perspective.
2. The Strategist – This person typically has experience working in operations, marketing, and general management. They focus on tightly run operations and careful allocation of business resources.
3. The KPI Advocate – This type of CFO loves the scorecards. They look at performance metrics, cost reports and standardized data. To them, everything is measurable and there is often a strong focus on meeting or exceeding established goals.
4. The Growth and Development Wizard – This type of CFO generally have years of experience in mergers, acquisitions, private equity and venture capitalism. Their goal is to keep their eye on the prize of expanding the current business operations of the company.

It is challenging enough to find a trained CFO to bring all of these traits to a business, much less to expect the business owner or CEO to be able to effectively cover these all of these areas. Whether a company is big or small, there is generally great value in engaging a skilled CFO to come alongside the business owner to help guide, measure and monitor the company's financial health.

Stewarding People Well



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If you are a Type-A business person, the thought of taking a vacation from work is fraught with questions. Will the company face a crisis while I'm gone? Will anyone care to keep things going at peak efficiency if I'm not there to ensure it happens? Should I wait until the company is stronger financially?

Your employees may be facing the same concerns, especially if you have hired motivated employees who thrive on success. They may embrace your drive to keep the company strong and fear stepping away from their responsibilities could hurt the business.

As a good steward of people in your business, it is your job to create an environment where your employees recognize the importance of vacations. This begins with your own attitude toward maintaining balance in your life. It may feel like your business is your life. However, relationships and health cannot be ignored without you reaping a breakdown in these areas. The swells of failing to prioritize relationships and health affect your business—often negatively.

Lead by example. If you must, carry your smart phone with you, and check in once a day. Otherwise, get away from the building that houses your business. Connect in the present with the people that matter the most to you. Amazing ideas often materialize when you place yourself in a different environment.

Your Vacation Policy Is Important!

Idea generation also happens when your employees step away from their day-to-day work environment. Vacation time rejuvenates, especially when an employee enjoys their job. Even employees who are ambivalent about their work usually return with a more positive attitude.



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One of the first steps to eliminating fear that vacation requests may be unwelcome, is to create a clear vacation policy. It's common to offer two weeks after the first year, three weeks after two years and four weeks after more years with the company.

It's also common sense to build personal time off/sick leave days into the company policy. Who wants their employees to share the latest bug with their co-workers, especially when it could be something serious SARS or Avian flu? This type of vacation policy, with personal time benefits, acknowledges your employees' needs to take a break—spend time with family, travel, tackle a personal project—do something where the boss doesn't have a say in the outcome.

Whether employees are salaried or receive overtime pay, they can only function at peak for so long without serious time off. Karen Sumberg, vice president and director of projects and communications at the Center for Work Life Policy, says, "You get tremendous burnout where people are not working at their full potential, they're not excited anymore, they're just perpetually tired."² That's not good for business.

Consider Alternative Vacation Policies

Then there's the problem every employer dreams of. If you have a team that really cares about the success of the business, you may find they don't take their vacations. Penny Herscher, CEO of FirstRain, found "that her long-time employees took less and less vacation time." She

² <http://www.inc.com/news/articles/2010/01/vacation-policy.html>



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didn't believe they were afraid to take vacation. They were dedicated to their jobs. So she implemented a new vacation policy—take as much time as you need.

Herscher believes the policy won't change the amount of vacation time her people take. What "it will change [is] "the level of freedom that our employees feel. If somebody needs to take five weeks, I trust that they're making a good decision."³ This type of vacation policy has business benefits as well. Companies no longer have to track used and un-used vacation time, or pay employees for un-used vacation.⁴

Say, "Yes," as often as possible.

If you've made good hiring decisions, your employee's own code of ethics will produce some level of internal guilt—especially if you're the type who is always running full out. But if you're always saying, "No, that's not a good time for us," you'll make your best employees feel guilty they want to take some vacation time.

Guilt isn't something most people enjoy living with. Eventually, your employees have to evade it. This manifests itself in increased sick days and/or reduced productivity. It could even result in the employee leaving the company—and not always on pleasant terms.

Circumvent this. If you find yourself routinely stacking the schedule with stressful deadlines, start saying, "Yes," to vacation requests instead. Unless there's a good reason to ask your employees to not take certain days off—an industry-wide trade show, a scheduled product

³ Ibid

⁴ <http://www.inc.com/news/articles/2010/01/vacation-policy.html>



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launch deadline, something significant—give them the dates they request. You’ll see positive results. Employees who are well-rested and happy, who have their work lives balanced with their off-work lives, are best positioned to be your most effective and high-performing employees.

Your employees not only deserve time off from work. They need time off. When you make it clear you understand that reduces distrust and increases loyalty. These are just two benefits of good vacation stewardship.

Stewarding Vendors

As a business owner, I know you think about more than the revenue you generate. You also consider the costs your decisions will incur and the resulting margin you retain. Have you ever considered that the vendors you work with also have these concerns? If you want to build winning vendor relationships, it pays to communicate a strong message that you want to partner with your vendors. The message should be, “I want to help you grow and build a successful business as I grow mine.” You want your clients to see you as a value creator, don’t you? Consider the exponential value to you as a business if your vendors saw you in that light as well.

Focus on Being a Good Fit.

Creating a vision of the potential within each partnership begins with making sure you’re as good a fit for your vendor as they are for you. Recognize the value of your vendor’s time, especially when they are offering a service. Do your research so you have as lucid an understanding as possible of what your needs are. Then voice them clearly so your vendors know whether working with you will grow and build their businesses.



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Also, take some time to get to know what your vendor's needs are. What motivates their investment into their business? As you do this, you'll identify partners who share complimentary philosophies in how they do business. This alignment compliments your partnering fit.

Exchange Knowledge with Your Vendors.

Change Factory, an Australian change management company, says it well. "Vendors hold a wealth of knowledge relating to their products or services. A vendor also holds knowledge on utilization within industry. That knowledge helps you, as a client, achieve your objectives."⁵ Renate Cunneen suggests in her Huffington Post blog that "the biggest mistake clients make when dealing with outsourced vendors" is to bring vendors on board, and then to "not listen to them when they try to give us clear feedback on our own shop[.] Part of growth in human beings and in business is listening to what you may be missing in yourself that someone else can see from the outside. Growth is hearing what we don't really want to hear, accepting it, facing it and making the real attempts [sic] to change it. Maybe there are cracks in your own business that the vendor can clearly see from the outside; why wouldn't you want this type of feedback? Above all, how many vendors will give you this feedback? Many won't if there is not a level of trust where they feel comfortable enough to share candid feedback. That in itself is a tragedy."⁶

Treat Them as Valued Partners.

You'll build few winning partnerships if you constantly ask, "What's the bottom price you can offer me?" Your message delivers as, "I only care about the value you create for me." Instead, focus on the value the partnership creates for both of you. Louis Grasmick, founder of

⁵ <http://www.changefactory.com.au/our-thinking/articles/the-vendor-client-relationship-educate-each-other-and-benefit>

⁶ http://www.huffingtonpost.com/renate-cunneen/the-biggest-mistake-clien_b_9817852.html



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Louis J. Grasmick Lumber Co., tells the story of a supplier stuck with two boxcars of lumber in transit from the west coast to the eastern seaboard. Their customer had canceled mid-country. While the company still lost money on the deal, Grasmick's willingness to take the loads and sell them at no cost to the supplier became a winning deal for his business. Because Grasmick put himself in the supplier's position and did what he could to reduce the impact of the canceled order, it led to many profitable arrangements for both Grasmick Lumber and the supplier in the future.

Did Grasmick know this would help his business? No. However, his business embraces two attitudes. 1) "We wouldn't expect anyone to suffer because of us." 2) "It's also important to do the right thing." As a result, he believes their company benefits from advantageous pricing their suppliers don't offer to competitors.⁷ Don't slip into the assumption that once you've chosen a vendor your contribution to the partnership is completed. Your vendor may know exactly what needs to be done; however you need ongoing communication to work out the specifics for a winning relationship with your company. Recognize that when a vendor seeks more information they aren't shifting the work back on you. They're doing what's necessary to provide the service or quality of materials you hired them to deliver.

When a vendor relationship begins, it's easy to focus on what the vendor is going to do for you—expectations, etc. However, if the ongoing connection is only about you, partnerships will fail to form. Without the sense you have a vested interest in their success, most vendors just

⁷ <http://entrepreneurship.org/resource-center/cultivating-good-customer-and-vendor-relationships.aspx>



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do the expected. Nothing motivates them to look for exceptional ways to help your business. Become a value creator. Becoming a successful partner begins with you.

Stewarding Customers

How do you deliver an incredibly awesome customer experience and know it's received by your clients as such? This is a question I ask myself as a consultant. It leads to additional questions.

Am I satisfied with being a vendor who does what many others do—competitive on price yet relationally irrelevant?

If yes is your response, “You’re in a race to the bottom,” says Anthony Carrano of ZFactor Group.⁸ If your answer is, “No,” then the next question lays the foundation for moving up the continuum from being a mere vendor to becoming an irreplaceable asset.

What must I understand about my customer’s perception of value?

Many support calls to the contrary, your customers don’t necessarily feel valued when they’re met with a canned, “I’m so sorry to hear that,” reply. While some things are common to all customer service, you can’t assume one answer serves all.

Your customer’s perception of what superior customer service looks like is best understood when you take the time to know your customer. When you provide B2B services, customer service expectations may contrast significantly with B2C customer service. For

⁸ <http://www.zfactorgroup.com/clients-view-value-creator-just-another-vendor>



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example, the value of your customer service could be measured by a bank or retailer by how rapidly you identify why transactions are dropping, or by how rarely support calls are needed.

For many businesses, the speed with which you can resolve their issues is mission critical. Your excellent customer service could be your ability to implement a plan that blocks the onset of more mission crippling events than your competitor. You raise the bar for every business providing the same service.

A consumer may be far more concerned with how you handle returns or repairs. Both customers may evaluate your customer service negatively if the time to reach a person is excessive or you can't solve their problem during their first call.

How Do I Lay the Foundation for Awesome Customer Service?

Consider these 10 leading reasons customers complain:

1. You didn't keep promises—late delivery, misrepresentation of quality, etc.
2. It's difficult to reach a real person either by phone or chat.
3. The person customers finally reach has to transfer them to someone else.
4. They are treated rudely.
5. They aren't listened to.
6. Their issue isn't resolved.

Laying out a plan to prevent these problems is foundational. Then you are ready to ask the next question.



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How do I measure my customer service accurately?

If there's a gap between what you believe is awesome customer service and customer perception, you want to identify it and put the remedy into action quickly. Some of the best ways to measure how you are doing are actually relatively simple.

- Survey your customers. Ask customers to participate in post-support surveys. Invite their input through email. Let them know you'll be calling them to follow up on how well the support went.
- Capture data from all your customer feedback channels—phone support, email, social media, text, chat sessions. This means letting customers know you record calls. It includes measuring time from contact to connection. It means reading or listening. It could include analytics tools.
- Categorize interactions by area of business affected. For example, some feedback may give insights into customer attrition, while other pieces of captured information may reveal where you're failing to meet service goals.

What do I do with the information I gather?

Use captured data to improve your product or service! Your customers are the ones who use your products. They're the ones best qualified to tell you how well they work or where you could make improvements. Those phone calls, emails and chat sessions are filled with important information—not just customer service insights but overall customer experience insights.



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Also use your captured data to improve training. Uncover areas where interactions could be improved by listening to recorded calls, or reading chat transcripts and emails. Individualize training so each support member becomes a stronger asset to the company.

Invest in developing expertise. Really awesome customer service springs from a foundation of truly understanding your product or service and your customer. Using this knowledge to craft an experience for your customer that's targeted and feels personal is an investment toward achieving recognition for incredibly awesome customer service.

Stewarding the Community

You in Your Community

When American Express' OPEN Forum encouraged shoppers to participate in a new holiday— Small Business Saturday—back in 2010, they emphasized several facts that are still valid today.

- For every \$100 you spend at local, independent stores, \$68 returns to your community. Only \$43 stays if you spend it at a national chain.
- Independent retailers offer a unique mix of products, while national chains lean toward a guaranteed mix of popular products.



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- Independent local businesses support neighborhood schools and community events with their advertising dollars, while national chains rarely step in unless there's state-wide or national exposure for their ad spend.⁹

As a business in the Greater Seattle area, do these facts represent your relationship to our community? Are you partnering with local businesses to meet your needs for products and services? Are you involved in building our local economy?

Embrace Cooperation

I agree with Kevin Leahy of Oregon's Small Business Development Center when he says, "Small businesses need to work together in order to compete with their larger counterparts. It's only by joining forces that small businesses can achieve economies of scale and have a voice loud enough to compete with larger corporations. There is power in the collective, and businesses can harness the power of togetherness to move forward in unity and accomplish so much more than they could alone."¹⁰

What does this type of cooperation look like?

1. You stop looking at others who provide similar services as competitors. Instead, you recognize the benefits of getting to know each other's strengths. You look for opportunities to collaborate, support and develop connections that are profitable and rewarding.

⁹ <https://www.americanexpress.com/us/small-business/openforum/articles/8-ways-small-businesses-help-communities-1/>

¹⁰ <http://www.bizcenter.org/about/blog/617-strengthening-small-businesses-comradery-is-the-key>



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2. You develop strategic partnerships where you are working toward mutual gains such as improved customer service or better products.
3. You recognize that supporting other local businesses strengthens your community by building relationships. This is true whether you are serving a metropolitan population or a small rural community.
4. You realize that the small increase in ‘cost’ for buying from a local business instead of the big box store or online is offset by the benefits.

Get Active

Are you one of the businesses Ernst & Young and the Fidelity Charitable Gift Fund talks about when they report that 89% of the entrepreneurs they surveyed in 2011 donated money personally and/or through their companies? Are you one of the 62% who believes “giving back makes their companies more successful in the long run?”¹¹

Beyond keeping more dollars in our community, there are additional reasons giving back benefits your business.

- When you and your employees spend time supporting community projects, it creates feelings of well-being that flow back into the workplace.
- When skills are tested and nurtured in volunteer settings, they rebound to benefit the business as well.

¹¹ <http://www.nfib.com/content/resources/management/6-ways-small-businesses-can-give-back-to-their-community-57394/>



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- When employees participate in community activities, it develops more than teamwork. It may nudge hidden talents into play that you would never have discovered otherwise.
- When you are seen in the community doing something that doesn't produce profit, people find it easier to believe you are truly in business to benefit them.¹²

Getting active in your community doesn't have to be difficult.

- Contact a non-profit you want to support. Ask if they would be interested in you placing a donation collection box in the office or in your store. Would they be interested in you adding a 'advertisement' to your website at no cost to them?
- Hold a fund drive or food drive.
- Sponsor a local athletic team.
- Organize an employee volunteer day. Habitat for Humanity, a soup kitchen or a homeless shelter are just a few ideas.
- Say yes, when a school or church approaches you requesting a gift certificate or merchandise for a fundraising event.
- Accept (or seek) a volunteer position on the board of a local nonprofit, whose mission you can get behind.

¹² <http://www.icaew.com/archive/library/subject-gateways/business-management/strategy-and-planning/small-business-update/10-ways-to-benefit-from-supporting-your-community>



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- Do like a local community bank that serves Seattle Metro, and give your employees paid time off so they can ‘volunteer’ at the nonprofit of their choice.
- Spearhead an event if you see an unmet need within your community.

Start with a sustainable idea and remain open to increasing your activity within your community. In the process, you’ll discover more than the rewards of being part of your local place, you’ll enjoy the community being part of your life and business.

Your Community in Your Business

It’s easy to slip into “I’ve done all this on my own” thinking. Yet in reality, we don’t become successful alone. While some of us may honestly say, “I’m a success in spite of everything,” even then, it’s the ‘everything’ that inspired success. It’s our community coming into our businesses every day that support our attainments.

Infrastructure. People. Partners. Without them, business would involve significantly greater struggle.

Infrastructure

We become so accustomed to the infrastructure in our communities, it’s easy to overlook how important they are to business success. If you had to run your business in a society where these services are sporadic, you would quickly discover just how significant they are.

Infrastructure plays a major role in economic growth. Without it, your business would face the same challenges seen in the developing world. As a report from the Federal Reserve



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Bank of Atlanta states, “The accessibility and quality of infrastructure in a region help shape domestic firms' investment decisions.”¹³

Electricity

Imagine the impact upon your business if you didn't have adequate electricity to support your technology? How would it impact customer service if you never knew when power might go out because a power station dropped offline unexpectedly? It's a minimal concern to us in Puget Sound. When we pay the electric bill, our utility companies deliver power. It takes a major weather event to interrupt the flow.

Transportation

We pay our taxes and SDOT and WSDOT do more than maintain our streets and highways. Efforts continue to improve traffic flow. Highway improvements receive funds. Yes, we are the fifth worst city for traffic congestion in the nation, and that isn't likely to change soon, yet our roads aren't a continuous chain of poorly patched pot holes.

In addition to the option of driving a personal car to work, we have the Metro system. Light Rail, Rideshare programs and bus routes all give our employees options for how they get to work.

Water and Sewer

You and your employees can depend on clean water. Water-borne illness isn't likely to keep your workforce home today. If you don't like the taste, bottled water is easy to acquire.

¹³ https://www.frbatlanta.org/regional-economy/econsouth/vol_10_no_2/econsouth-vol_10_no_2-building_a_better_world.aspx



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Even if a drought forced us to conserve, our expectations of turning the tap and water coming out would remain reasonable. We expect the toilet to flush and the effluent to be treated properly.

Phone and Internet

Our options have never been as great. We have cellphone towers broadcasting wireless signals almost everywhere. Cables carry phone and high-speed internet signals across the region. Satellite options fill in any gaps wireless or cable lines might leave.

Every service we depend upon leverages the constancy of our infrastructure. The driver of the UPS truck that delivers our orders used a road to reach us or our customers. The wireless and wired communication options at our disposal empower our call and support centers, and our websites and our data centers.

Our Partners

In addition to our infrastructure, we depend upon others within our community to prosper. What would your business be without the delivery services we use? Whether you use the U.S. Postal Service, Fedex or UPS, if it's physical, it requires someone to handle its delivery.

Have you ever closed a business deal in a restaurant? They partnered with you in providing a positive experience. Have you ever used an outside venue to market your product or services? The people you worked with supported your success.



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This type of partnership is so common it's easy to overlook. Instead of thinking, "That's the least I should expect," embrace gratitude for the contribution of these partners. Let them know you appreciate them.

Other partners are easier to recognize. Maybe you hire a payroll service to track employee benefits and paychecks. You find your business facing a challenge, so you hire someone with the expertise to help you.

May I suggest you begin looking for someone within your community—someone who is also vested in the well-being of the place you live and work—when you reach out? Your community is already supporting your business. It's your place. It's your privilege to nurture it, and let it nurture you.

Will you?

Your Civic Partnership

There is much discussion about the damage U.S. taxation policies cause to corporations. I hear little discussion on how paying those taxes is part of good stewardship as a business. Now that you have paid your corporate taxes, it is a good time to evaluate how your tax decisions play a role in being a responsible business within your community.

Let's set aside discussions about whether corporate taxes are excessive in the US, or whether Washington B&O taxes are unfair because they tax a business whether it's profitable or not. Let's look at what your company is doing for the place to which your business contributes.



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The Census Bureau reported in its last 2007 census that Washington has one of the higher ratios of state taxes compared with other states; however, this is balanced by supporting more programs. Public K-12 and vocational schools, community colleges, health and public assistance programs, and cutting-edge criminal justice programs remain key commitments for this state. Consider this. In 2009, the B&O tax contributed about 12% to the general fund, and 8.5% to total state revenue.^{14, 15} When sales tax income and B&O dropped in that year by 7.82%; the state was forced to cut back on the programs it supported.

What was happening for businesses at the same time? A report from a Washington Technology Industry Association survey tells us 38% of the respondents said the economy had delayed, reduced or put their efforts to raise capital on hold. Another 56% reported they had lower hiring outlooks, and 66% said they weren't going to invest in growth or expansion. Businesses were hurting along with their communities.

At the same time, Federal deficits exploded. What we could expect from our tax dollars shrunk. Yet, our state continued to receive Federal funding for many vital programs—healthcare, highways and education especially. Where does the money come from to support these essential needs within our communities? A combination of the income and sales taxes you and your employees pay, and your company's B&O and corporate taxes. Thus, whether you agree with the distribution of revenues collected by the state and Federal government, you are supporting your community when you pay taxes. Does considering taxes in this light adjust your attitude? Consider it positive that the better your business is doing, the more your community benefits.

¹⁴ http://dor.wa.gov/docs/reports/2010/tax_reference_2010/05overview.pdf

¹⁵ http://leg.wa.gov/LIC/Documents/EducationAndInformation/Citizens_Guide_to_Budget.pdf



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Why CFO Business Partner

Why does CFO Business Partner exist?

Small business is the backbone of our country's economic engine. When business flourishes, the community surrounding that business flourishes as well. It is my passion to do my part in helping your small business flourish, so that our communities flourish along with you.

Who is CFO Business Partner?

Art Zylstra is your principal trusted advisor for strategic financial oversight of your privately held business. Art has over 30 years of experience working with small businesses in a variety of industries as their Accountant, Controller, and CFO.

What makes CFO Business Partner unique?

CFO Business Partner fills a unique market need for your small privately held business. With CFO Business Partner you get the expertise of a strategic CFO, the disciplined oversight of an experienced Controller, and the "roll up your sleeves" work ethic of someone who does what it takes to get the work done, all rolled into one package at an affordable price.

Who is an ideal client for CFO Business Partner?

CFO Business Partner excels with businesses that are growing and have between \$1 million and \$10 million in annual revenue, or 5 to 50 employees.

How do I know if CFO Business Partner is right for me?

The first step is to have a no-pressure introductory meeting with Art. Art will ask you about your business and the various day to day challenges you face as an owner. If we both agree that a potential match exists, then Art will move forward with a complimentary, yet comprehensive, financial analysis of your business. This analysis will include recommendations on how CFO Business Partner might assist you in achieving your financial goals.

Who are some of the clients that CFO Business Partner is currently helping?

Seattle area commercial balancing service; Eastside game manufacturer and distributor; Eastside insurance and financial planning firm; North King County estate guardian and trust company; Seattle area cannabis company; Seattle area overseas retirement concierge service company; Seattle area commercial and residential electrical contractor.

How do I contact CFO Business Partner to see if this is the best option for my company?

Art can be contacted by phone, email, website, or LinkedIn
425-931-3430; ArtZ@CFOBusinessPartner.com; [Website](#); [LinkedIn](#)



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About Art Zylstra

Art Zylstra brings over thirty years of experience in stewarding resources and people for small to midsize private and non-profit organizations to help them flourish and grow. With his MBA in Organizational Leadership and a Doctorate in Transformational Leadership, Art collaborates with key members of the executive team to develop and implement key strategies across the organization, providing leadership and coordination in the administrative, operation, business planning, accounting and budgeting efforts of the organization. He is highly motivated by mission and operates with integrity, confidence, professionalism, and resourcefulness in a way that allows all stakeholders of the organization to flourish.



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