
OCTOBER 8, 2009

NEXT WEEK:

The **next meeting** of the Tri-Valley Executives' Association will be held on **October 15** at Vic's All-Star Kitchen at 7:00am.

GREETERS will be **Ron Mize** of Tri-Valley Electrical and **Mona Fox** of Design Works.

The VALUE will be given by **Mike Peel** of Hometown GMAC Real Estate.

Bob Olsen of Olsen Painting will be giving his CLASSIFICATION.

DUES:

This is **the last week** to save \$25; make sure you get your dues paid by this Thursday, October 15!

MEMBERSHIP:

Make a commitment to help people and refer a business to our group; look at all the ways the Execs have helped you and think of how we can help others. Think about the trades people that we do business with and people that will get immediate business showing them the value of the TVEA.

Thanks to **Joey Minahan** of the Door Doctor who sent in her list of 5 people/businesses to whom Cristin will be sending a general letter, inviting them to a meeting (*your form is attached*).

She gets one free ticket for this week's raffle. Have you gotten your list in?

Also, big thanks to **Mike Wallace** of Roman Holiday Salon for bringing Nadine from La Di Da; you can keep your dollar for being late this week 😊

VALUE:

Business Tip from **Ron Johnson** of ABI Business Sales:

- Watch out for the scammers who offer to file your LLC or Corporation Statement of Information for a fee. California law

requires corporations, limited liability companies and common interest development associations to update the records of the California Secretary of State on an annual or biennial basis by filing a statement. You may file the required Statement of Information *for most corporations* online. Statements that are not filed online can be mailed or delivered in person to the Secretary of State's Sacramento office.

Fees are generally minimal and the form is generally mailed to you around the beginning of each calendar year. If you receive a form in the mail offering to file for you, it is likely a scam and is definitely a rip off. When you get the form, make sure you verify the seal of the State of California.

DID YOU GIVE A REFERRAL THIS WEEK?

CLASSIFICATION:

John Orozco is a local kid. Growing up in Union City, he was the student body president and star football player who dated the most popular cheerleader, whom he later married.

During the Viet Nam war, John joined the military reserves and attended Chabot College, where he was voted into their Football Hall of Fame as a linebacker.

His goal was to coach football, so John went on to get his masters degree from Stanford University. After graduating, he went back to teach and coach football at Logan High School in Fremont.

His dream was to coach college football, but seeing that the possibility was slim and becoming complacent in teaching, John decided to change careers.

He got a sales job with Xerox, but when he saw that computers were becoming the wave of the future, he started working with HP where he stayed for 14 years. John began getting bored and was tired of working for someone else, so he took a year off to evaluate where he wanted to be. He found a good fit at Transworld Systems as an independent contractor.

John's focus at Transworld Systems is profit recovery. In this economy it is important to make sure that your invoices get paid first. There are two phases for improving your A/R: 1. Optimize your in-house procedures and 2. Early profit recovery with the use of a diplomatic third party at a controlled cost without alienating the clients.

Although Transworld Systems is the largest collection agency in the world, if you use their profit recovery system, you will get your accounts receivable collected sooner, keep relationships and avoid sending your clients to collections.

When money is late, after first sending a statement, you make one courtesy call, reminding them that you are not a bank, which is the last call you should have to make. As a third party, Transworld Systems gets the clients attention and motivates people to pay using their written demand service. As a client of Transworld Systems, you are in control. You open an account on line and add your clients as necessary. You have the ability to choose how aggressive or courteous you want to be and then the appropriate correspondence will be sent. All money comes directly to you for a fixed fee, not a percentage; the average cost per account is \$10.

The final phase would be to send them to collections and when it gets to that point, you are completely hands off. The debtor has rights that you may be unaware of, including the fact that once they go to collections, legally, you may no longer contact them.

Essentially, when you do not get paid for what you have given or done for someone, that person has stolen from you. Collection versus Profit Recovery is that collections cause tension in the client relationship and costs 30-50% of the balance collected, whereas profit recovery gives you the ability to communicate legally to get them to pay you directly and costs on average about \$10 per account. When the profit recovery begins, it is the client who determines the course of action, by either paying you or not paying you.

Some critical cash flow rules:

- Cash flow is not intuitive; do not try to do it in your head. Making sales doesn't necessarily mean you have the money.
- Business-to-Business sales suck up your cash, since you deliver the goods or service, but often won't get paid for weeks.
- "Receivables" is a four-letter word; Every dollar in accounts receivable is a dollar less cash.
- Watch these three vital metrics: Collection days, Inventory turnover, and Payment days.

Just remember, you aren't the bad guy here, they're the ones who aren't paying for something they received. To keep it from getting to that point, call John Orozco to set up your account today: 251-0456 ext. 51

CALENDAR:

November 26 – No Meeting (Thanksgiving)

December 10 – No Meeting

December 10 – Christmas Party at Girasole, 6:00pm

December 17 – Gift Exchange

December 24 & 31 – No Meeting (Christmas Eve. & NYE)

Referrals for Membership

From: _____

You may use my name in the letter Please make the letter anonymous

Company: _____
ATTN: _____
Address: _____
City, ST Zip: _____

Company: _____
ATTN: _____
Address: _____
City, ST Zip: _____

Company: _____
ATTN: _____
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