

# Presidents Page

Growing profits, value and success...every month

July/August 2011



## UPCOMING

- Sept 15-PAC 104
- Sept 19-PAC 909
- Sept 23-PAC 711

Special Event:

**September 21**  
**The Presidents**  
**Symposium**  
**The Gleacher Center**

For more information,  
[630.514.9243](tel:630.514.9243)

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*"In preparing for battle I have  
always found that plans are  
useless, but planning is  
indispensible."*

*-Dwight D. Eisenhower*

*"Most new jobs won't come  
from our biggest employers.  
They will come from our  
smallest. We've got to do  
everything we can to make  
entrepreneurial dreams a  
reality."*

*-Ross Perot*  
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**The Presidents of  
privately held  
entrepreneurial  
companies are  
the heroes of our  
free enterprise  
system...**

**PAC is their hero.**

## Are Your Financial Statements Prepared Correctly?

This month we are featuring a conversation between PAC  
members.

At the August meeting of PAC 104, two members spoke passionately about the value of having higher quality financial statements prepared. In most cases, Presidents of privately held companies make the decision about how to have their financial statements prepared based on the fee their CPA will charge. So, in other words, they spend as little as possible, and they only upgrade their statements to meet the demand of their banks or other stakeholders that require a more rigorous approach.

According to PAC members Erik Hagen ([www.mhpiinc.com](http://www.mhpiinc.com)) and Mark Tepper ([www.1to1card.com](http://www.1to1card.com)), this might be a short sighted way to have your financial statements prepared. They both agree that there is a meaningful ROI to investing in a more rigorous process. The benefits include:

1. The analytical work required of a review or audit regularly brings issues to the surface that represent opportunities to improve operating profits in a meaningful way.

2. Being proactive about how your financial information is presented represents that you believe in Best Practices. This is a key differentiator on a number of levels, including Marketing and recruitment, as well as borrowing and raising capital.

This comes from people who are paying for these services, not trying to sell them.

Here's a link that describes the differences in the three types of financial statements:

[www.k2scpa.com/knowledge-sharing/2007/07/whats-the-difference-between-an-audit-review-and-compilation](http://www.k2scpa.com/knowledge-sharing/2007/07/whats-the-difference-between-an-audit-review-and-compilation)

For information on how PAC can help you grow your business contact Nick Arvis at 514-9243 or [NickA@PresidentsAdvisoryCommittee.com](mailto:NickA@PresidentsAdvisoryCommittee.com)

Chicago peer groups are forming now!

Since 2004,

*PAC has been helping small business owners grow and succeed.*

