



Professionals Don't Fight a Battle That Has No Rewards

I have several very wealthy friends that I have interviewed. I always like to find out what drives a person and what attitudes they have about problems and circumstances in their life. I have learned a lot about myself in these interviews.

Most wealthy people speak about having learned their craft from a mentor; if not an actual person than one in a book, a story or a collection of stories. They look at successful people and try to figure out what made them successful and what did not. Then, they imitated the things that brought success. Sometimes they didn't even believe what they were doing was correct, but they did it because another successful person had done it. Sometimes, it wasn't until they noticed their success that they finally believe in it, as opposed to some people who claim to "believe in something" but refuse to do it. Failure is OK with "just believing"... success requires "just action".

My closest friend was mentored by a great retailer. Several years ago he related a philosophy his mentor had taught him. It had to do with accounts receivables or having people charge their purchases on credit/account. Senior management always had to deal with some customers who couldn't or wouldn't pay. His mentor

said that writing off less than 3% of all receivables means that you're not risking enough in credit sales.

This philosophy is a huge shift in thinking. Normal companies are always trying to eliminate their bad debt, getting it lower and lower or even to zero if possible. But, my friend's mentor taught him that a well-run retail business should push sales till they reach about 3% of bad debt. He said that this amount of bad debt changes the mindset of salesmen and customers. Salesmen are now free to reach beyond the norm and customers feel trusted. With the increased trust, customers will often buy more and try harder to pay their bills. However, when a company is trying to completely eliminate their bad debt they inadvertently insult good customers by overly scrutinizing them. The higher level of trust at the senior management level also promotes a more mature attitude toward some operating costs. It's all a part of building a great business as opposed to just a profitable one.

Having the right attitude towards things is probably the most important rule in business. There are some expenses that professionals just accept as part of doing business: expenses such as fuel

or maintenance for instance. A good operator first reduces these expenses as much as possible and then the balance is accepted as a part of doing business. In other words... once minimizing is achieved... just write the check and forget about it.

One such expense is also income taxes (I hope I didn't just loose half of you from reading further). Taxes should be viewed as a regular cost of operating a business. Professionals, once they acknowledge they have reduced their tax payable as much as they can, write the check and move on.

As an accountant I have been told many times that it's my job to eliminate taxes at all costs. When I am told that, I usually reply that if they don't want to pay ANY taxes then they will probably have to limit the work they do so that their income hovers around zero.

Although I am a huge fan of non-taxable benefits (which lowers taxes tremendously), it doesn't eliminate all taxes in every situation. The national average in tax savings is around 40-60% of industry norm. Though I still have some clients who "demand" a zero tax return, I have to communicate that I cannot and probably never will be able to guarantee a zero return to everyone.

If I could show you a method of reducing fuel expenses by \$1000 per month (for a long haul operator) would there be any complaining about the rest of the fuel expenses? Probably not. However, some people seem to have a different mindset

about taxes. Too many hate paying taxes - no matter how little. It is as if they feel they are entitled to earn as much as they want without any tax consequences. If they hate writing out that check so much, perhaps they should just go back to being a company driver and pay what is due.

Professionals have a mature attitude about all things business. They may HATE taxes but force themselves (after reducing them as much as legally possible) to accept the balance as part of operating their business. They don't invest emotional energy on something that doesn't provide a return. Professionals don't fight a battle that has no rewards; they make a choice and live within the results.

About the Author:

Robert D. Scheper is a leading Accountant and Consultant to the Lease/Owner operator industry in Canada. His first book in the Making Your Miles Count series "taxes, taxes, taxes" was released in 2007. His firm exclusively serves Lease/Owner Operators across Canada. His second book "Choosing a Trucking company" is the most in-depth analysis of the operator industry available today. He has a Master degree (MBA) in financial management and has been serving the industry since he and his wife came off the road in 1993. His dedication, commitment and strong opinions can be read and heard in many articles and seminars.

You can find him at www.makingyourmilescount.com or 1-877-987-9787.