

Contact: Lyne Noella
Chief Marketing Officer
Stonefield Josephson, Inc.
Tel: 310.566.4327
lnoella@sjaccounting.com

1620 26th Street, Suite 400 South
Santa Monica, California 90404
www.sjaccounting.com

Grow your business without busting the bank

For immediate release

Los Angeles—July 28, 2005—Are you the manager of a fast-growing business? “The cost of growth can quickly get out of control, causing cash-flow problems,” says Partner Rob Babek of Stonefield Josephson, a California-based certified public accounting firm.

“Entrepreneurs may hire too quickly or purchase a building without considering the financial consequences.” Babek says that the manager of a fast-growing business can take steps to minimize risk and protect cash flow. He offers these three tips for growing your business without busting the bank:

Tip #1: Right-size your building. If you need to select and move into a larger building, Babek advises you to get creative. “You don’t want to end up with too much or too little space one year from now. Lease one-half the space now with the option of leasing the other half as your business expands. As you consider various locations, determine whether the neighborhood can accommodate your needs over time—is there room to grow across the street or next door. If you decide to go with a large building right away, sublet what you do not need to other businesses.” Babek adds that if you plan to purchase a building, do it outside the corporation. “Owning the building outside the business keeps it free from creditors and allows you to collect rental income from your business.”

Tip #2: Design your talent team. “Few entrepreneurs can afford to hire an executive

dream team from the start. Use outside consultants to help you make key decisions, create a strategy for growth and manage risk,” says Babek. “Entrepreneurs with a lean staff can use outside consultants in the areas of accounting, marketing and human resources, for instance.” When you hire, Babek says to look for people who can multi-task. “Hire a bookkeeper who can do both accounts payable and receivable. Look for an administrative assistant who can also function as a receptionist and typist. Hire a controller with experience in technology and human resources.” Babek further suggests that you outsource your payroll. “Payroll is tedious and time-consuming and there are significant regulatory issues. Save yourself the headache—go with a reputable payroll service so you can ask your accounting staff to focus on tasks that add value to the business such as accounts receivable collection.”

Tip #3: Develop internal controls. “Growth can expose a business to fraud, embezzlement or costly mistakes,” says Babek. “Work with your accountant to establish internal controls to protect your business. Ask your accountant to help you develop policies and procedures for your accounting staff. Invest in technology that gives you timely and accurate financial reporting.” Babek says there are several ways to catch problems or avoid them altogether. “Have your company’s bank statements mailed directly to your home so you can review deposits and withdrawals. Place spending and check-signing limits on your personnel. Take regular inventory counts to monitor your assets.” Babek says that employees are less likely to embezzle from an owner who is actively involved in the business.

Stonefield Josephson Inc. (www.sjaccounting.com) is a California-based certified public accounting firm founded in 1975. The full-service firm serves public and privately held clients throughout the United States and internationally from four California locations: Los Angeles, Orange County, San Francisco and East Bay.