MAXIMIZE BUSINESS VALUE PODCAST - EPISODE 31 Transcript

Tom Bronson (0s):
<inaudible>

Announcer (5s):
Welcome to the maximize business value podcast. This podcast is brought to you by mastered partners where our mission is to equip business owners, to maximize business value so they can transition their business on their terms. Our mission was born from the lessons we've learned from over 100 business transactions, which feels our desire to share our experiences and wisdom. So you can succeed. Now, here's your host CEO of mastery partners, Tom

Tom Bronson (33s):
<inaudible>, Tom Bronson, and welcome to maximize business value. A podcast for business owners who are passionate about building long-term sustainable value in their businesses. In this episode, I am so excited to welcome our guests. Cleve Clinton, a partner at gray Reed law firm and Susan Bryant principal at the MB group, a certified public accounting firm, although they both have recently appeared on this podcast separately. I asked them to come back today because we're going to talk about year end business and tax planning. So I met Cleve through a mutual friend several years ago, and we've become great friends.

Tom Bronson (1m 18s):
He is a master storyteller who as a corporate attorney with broad spectrum of clients has been there and done that in almost every legal situation you can imagine. He represents Mavericks in business who dream big, dare big and get into big trouble. Susan and I met earlier this year and w and I've really become impressed about how she thinks and works with her clients as their CPA. Accounting is so much more than just reporting the numbers. She really views accounting as a calling to help her clients get better, both professionally and personally, she makes as she becomes sort of a pseudo CFO role in the businesses that she works with.

Tom Bronson (2m 7s):
And I can tell you that they count on her as a trusted advisor. So, as I mentioned earlier today, we're going to talk about year end tax and business planning as it relates to building long-term sustainable value in your business. So welcome to maximize business value, Cleve and Susan. Good to have you with us today.

Cleve Clinton (2m 29s):
Good to be here. Thanks, Tom. Thanks.

Tom Bronson (2m 33s):
Awesome. So starting with Cleve, give us a quick snapshot about yourself. If you want to hear more about Cleve, you can go back to the prior podcast, but a quick snapshot about yourself and about grey Reed.

Cleve Clinton (2m 44s):
Thanks Tom. Well, over the last 40 years, I've represented a number of fortune 500 clients. Those clients who stretch my problem, solving creativity, those are my bread and butter clients, or those business owners who wake up every morning and pull up by their bootstraps and often put the success of their business on the line every day, as a board certified civil trial lawyer, that expertise served me well for decades. Now, those business owners in maturing, and they're less inclined to pick a courthouse fight. They're more preferring and non-litigation solutions and protecting often even transitioning their ownership or their family members.

Tom Bronson (3m 25s):
Awesome. Awesome. Yeah, that's a stretches your ability to find solutions. I like that. Susan, tell us about yourself and about the MB group.

Susan Bryant, CPA (3m 36s):
Awesome. Well, thanks again for having me, Tom. My name is Susan Bryant. I'm a CPA with the MB group. The MB group is a CPA firm and we specialize in providing business owners with outsourced accounting services. So anything from, you know, AP AR bank updates, bank reconciliations, kind of the whole, the whole soup to nuts on accounting side. And then we take that information and we help them to strategize on the tax side to ensure that they are making the best decisions with their money and paying the least amount of tax.

Tom Bronson (4m 9s):

Awesome. Also, I know you did a great job with your clients as well. I know many of them, and I'm very thrilled with the work that they do at the MB group. So, and in the first half of our podcast today, we're going to talk about business planning after the break, we'll focus on tax planning. So let's dive right. In many business owners, don't really take the time to think strategically and plan for their upcoming year before it actually starts, as we wind down 2020, and hopefully put this one in the rear view as quickly as possible. What are some of the things a business owner should really take the time to think about before the end of the year, let's start with Cleve and then Susan?

Cleve Clinton (4m 53s):
Well, Tom, my tax partners in my office, my family, financial planner, friends, and my CPA friends like Susan or a Twitter with the prospects of what this election might be doing to their businesses. One way spells business as usual. How can I ramp up with more with what I'm doing? The other presents an incredibly icy road coming down, a steep Colorado mountain laced with danger curves ahead signs, especially for those have adjusted their business to life under the 2018 tax act. Once the election dust settles press very timely, insignificant business text decisions are going to need to be made. Susan and I talked about some of those yesterday, potentially very serious tax implications of managing a family's estate tax exemption among them.

Cleve Clinton (5m 40s):
She also mentioned the possibility of an impact to small business owners who have relied upon the Trump tax cut at a roll back of that tax cut, Susan, what's going on?

Susan Bryant, CPA (5m 51s):
Yeah, I think this is definitely the time to be every year before the end of the year. I think the first you have to ask yourself is what did I do this year? What did I do last year? How am I organized? What type of entity do I have? Is that the best thing for me to continue and working with someone like Cleve is to really ask yourself, am I being the most efficient by way of tax, but also am I managing my liability in the right way? And just going through that discussion. So, so many times people get into this kind of rut of, well, that's just how it's set up. So that's just how it has to be. And that's not the case. That's the way it is right now, but how do you want it to be?

Susan Bryant, CPA (6m 31s):
And so we really got to force that, that discussion and say, okay, just because this is the way it is right now. And that's how it was last year. How if we could do something different, what would we do different? And should we implement those changes now? So starting one, one, we start off on a different foot. Maybe, you know, a C corporation

is not the best route for you to go. Maybe you need to be thinking about organizing a different way, making an election to, to be, you know, switching to an S corporation. So many different things to think about, but now's the time to be contemplating what changes you might be wanting to make?

Tom Bronson (7m 4s):
You know, I, I'm a, I'm a big fan of, of saying that if you don't know where you're going, any road will take you there, right. Pressure tests. And so, so to me this time a year is all about planning and thinking about, I love the, the thought there I've looked back, not just at what we did this year, but the prior year and what our hopes and dreams and how do we accomplish those goals in the coming year. Susan, you mentioned something important, but a Cleveland's go to you first on, this is now a good time to think about your corporate structure, like C Corp S Corp, LLC, partnership, that kind of thing.

Cleve Clinton (7m 42s):
Well, Tom, I have a couple of thoughts on that first. Yes. 2021 would be a very timely time to start up and form a new separate entity, especially if you're already effectively operating as partners, or if you're planning to transition your business, either do a third party or within your own family, given the possible government roller coaster that the election is going to present from arguably business friendly Congress to a possibly new Congress that might change all the taxes that upset the applecart. Maybe it's time to return to the bread and butter of why do you form a separate entity in the first place, litigation, risk management, and providing a map to your partners, your family, to agreeably how you would navigate changes in the business in its owners down the road are really the primary reasons why you want to form a separate entity and they probably should be your driving factors.

Cleve Clinton (8m 37s):
We enter the end of 2021 taxes could, can, and should be an issue. And that's when you call Susan in order to make sure that you've got the right planning for the year end with the structure you've got. And yet don't let the tax dog wag the business dog, the tax tail, I should say, wag, the business dog. The taxes are a nice benefit, but really litigation, risk management and transitioning and problem solving built into what a match to a contract with your partners is the preferable solution from my viewpoint and in dealing with the right entity to have number two, tend to your net. It's time to observe your corporate formalities.

Cleve Clinton (9m 18s):

It, yes, it is end of year, whether it's going to be for a later sale or an IRS, look, see down the road or better yet just memorializing those important touchstones that you have covered over this last year. I cannot imagine that you've not had some big touchstones in this last year. Pick one of the adverbs or adjectives that has been called by everybody because of all that, you've got some things that probably should be memorialized plus, which, and I've, I've dealt with this more times than I can count over the years. There are small bits of friction that start occurring between partners and family members and whoever, whoever they kind of build up over time.

Cleve Clinton (9m 60s):
And the risk that you run is that they, when they finally boiled over years later, they're a, an amalgamation of all sorts of things that have happened perhaps over a decade for which you now have either faint memories and no paper or worse yet you forgot them entirely. Whereas your corporate records should reflect those changes you're in. And you're out put your resolutions in writing review and comply with your company documents. What do you think Susan?

Susan Bryant, CPA (10m 28s):
Oh, I couldn't agree more. I think that the governing documents, I mean, there's, there's so many clients who come to us and they don't even have an operating agreement and they've got multiple owners. I mean, it's, it's a really, it's it's distressing because in a lot of cases, they just either didn't know what to do or didn't know to where to get advice. They were just poorly advised. And I mean, the entity is so important to respect cause, cause you're right. It doesn't matter to what matters. And then all of a sudden you've got a really big problem because you have not taken care of this entity and you have not memorializing that you haven't complied with the governing documents or the law. And so, boom, you've got a really big problem. So I could not agree more with that.

Susan Bryant, CPA (11m 10s):
I think on the Eve of this election, as, as we, as we sit here and we talk about this, I think there are definitely some things that people are probably going to be wanting to do in terms of forming entities with, with some type of contingent plan as to what might happen. So I think it's going to be wise for people to, to get creative and be really thinking about what might be down the road and make sure that we're setting up into these and configuring in the right way so that if there is an opportunity to reduce taxes under some type of new tax regime that we're able to do it and where we have not been a sort of remiss in seizing those opportunities before beforehand.

Susan Bryant, CPA (11m 53s):

So we've got definitely a year to plan ahead and Tom definitely year to plan ahead.

Tom Bronson (11m 57s):
Well, I am a, I'm a huge fan of keeping your corporate records in order. And that's one of the things that just slips by so many people. You know, I, I, many of our clients, one of the first things we ask when we do an assessment is, are your corporate records in order. And I'm really surprised at the number of companies that are, that are 10, 20, 30, even 40 years old, that don't have their corporate records in order. They haven't memorialized any resolutions. They don't have a proper organizational docs. They don't have an operating agreement where they have multiple partners. You know, I'm a, I'm a big fan of, of when you, when you start a business to get all of those things in water, right?

Tom Bronson (12m 40s):
Imagine if you will, the worst possible outcome and, and figure out how to deal with it on the front end, as opposed to having to deal with it on the back end, when it gets very costly and, and probably you're going to have to find a legal solution. So, so now is a great time of year to, to be thinking about updating your corporate records and doing that thing. So are there, are there reasons perhaps Susan, that you might want to move from one structure to say a C Corp to an S-corp or an LLC or a partnership or from a partnership, one of those others, are there reasons that you might want to do that? And if so, are there timing considerations for that kind of thing?

Susan Bryant, CPA (13m 22s):
Yeah, there are definitely reasons. I mean, I'm, there's essentially four different ways and, you know, entities can be taxed. So a disregarded entity. So usually that means it's reported on a schedule C the escort, which has its own set of rules. So it has to be actual individuals, only one class of stock, less than a hundred shareholders can't be owned by any trust. Lots of things that are proportionate to ownership happened there, including the income on expense allocations, distribution, allocations, partnerships become a lot more flexibility, the introduction of who, who owns it, other entities, foreign partners. And then of course, the C corporations, which are sort of more traditional and in the way that most people view companies being operated so that, you know, there's dividends that are issued, introduces the concept of a double taxation.

Susan Bryant, CPA (14m 11s):
Are there things that people should be thinking about? Absolutely. Do people know why they're in a certain type of entity generally? No. So, so I think the question really becomes is for my business and what I want to accomplish and who owns this

company, am I in the right structure? So there's multiple reasons why some of them are favorable or unfavorable based upon who the owners are and what their ultimate goal is. So yeah, there's definitely some things we would want to be planning for leading up to the beginning of a new year, because we know there's elections that would have to transpire on March 15th in order to be treated a certain way or forming a new and migrating our operations into those entities at the beginning of the year.

Susan Bryant, CPA (14m 55s):
So,eah. So I think that the there's a, this is probably the area that I struggle with the most with new clients when they come in and they have no idea why they're taxed the way that they're taxed, because no one's ever taken the time to really educate them on what the differences are between those entities. And this is such a critical thing in understanding why they operate, why they, the way they operate.

Tom Bronson (15m 17s):
I've got a small client, very small business that is a C Corp and has been for many, many years. And I've recommended that they think about considering moving to an S-corp especially years before I transition. There's something called a look-back if you, if you change that, if you change your corporation type, Susan, tell us a little bit about that.

Susan Bryant, CPA (15m 43s):
Yeah. So, I mean, there are, there are a lot of tax rules that are related to when you are moving from one entity type to another entity type, it can create and trigger additional taxes to be owed. And that certainly just something that you're trying to avoid as much as possible. And so when you're moving from a C Corp to an S Corp, and you're having a transaction that's that's transpiring in within that look back, period, you're going to end up with a big tax surprise and it's not, you're not going to be pleasantly surprised by it. So there has to be, there has to be some planning ahead again, with any type of exits or any type of change in any type of entity formation structure, you know, there's entity planning in general always need to have multiple partners, like making sure your attorney and someone like Tom, you, Tom, from an exit strategy, everyone's working together to understand what the game plan is.

Susan Bryant, CPA (16m 34s):
We cannot make these decisions in a vacuum. We've got to involve the entire team of advisors. So we're making decisions that are right. Not only for the business, but also for the individual later.

Tom Bronson (16m 45s):

Yeah. That's one of the strongest arguments. When people ask me what, gosh, I'm not going to sell my business for three to five years. So I really don't want to think about that until now. That to me is one of the strongest arguments. Why you should think of these things three to five years in advance, because you want, if you're going to make a change and it's recommended that you make a change in your, in the type of corporation that you are, then, then you want to have that done and over with. And then the rear view long before any lookout or long before, anytime that you might have that look back as a consequence and get that nice little surprise if you will.

Tom Bronson (17m 25s):
So Cleve, what about you? Are there reasons that you should would think about moving from one structure to another and for in, in your case, from a legal standpoint, are there any kind of timing considerations as well?

Cleve Clinton (17m 38s):
Well, I've got a client who wondered how they ended up where they did that. They started the company, he started it off as a sole proprietorship. He, his lawyers talked him into forming an, a limit, a Corp. So it was a C Corp. Then they said, for tax purposes, you need to make it an escort. This was back in the nineties, which he did, and then the Texas imposed a franchise tax. And so the darling had the, about the turn of the 2000 century was you need to form an LLC a bigger part in a limited partnership. So they formed a limited partnership. And then you can imagine all the trailing of documents, pieces of corporate formalities, lack thereof that trailed all that.

Cleve Clinton (18m 23s):
So then the dad does mom dies and now you've got all the kids are now inheriting it. And the structure just does not work. The formalities didn't work. The underlying agreements didn't work. The bylaws, you name it, it didn't work. So in that situation, the idea was you'd form an LLC. We formed a structured L a series of LLCs that have worked out really well. What I like about the LLC in this circumstance is that it provides what a match to for all practical purposes, a contract. Anybody can basically sit down and read it. It's not nearly as complicated appearing anyway, as a lot of other documents do. And so it's worked out really well for this family.

Cleve Clinton (19m 4s):
We've talked about going from the corporate, it's still taxed as a, as a C Corp. We've talked about taking it from a C Corp, even though an LLC it's tact for a tax for IRS purposes as a C Corp, we've talked about it going to a syllabus, but with the 2018 tax

reform act, it was so close between the tax under the S-corps and under this, the C Corp, we just left it where it is that may change.

Susan Bryant, CPA (19m 33s):
Yeah. Well, and some people, you know, when they think about the C Corp, I mean, it used to be like nobody wanted a C Corp because especially a small business or double taxation, but yeah, with the advent of the 21% flat tax rate, which is, you know, a little bit on the docket here in terms of what's ahead, but right now, yeah, I mean, it turned out to be a little bit of a wash and then you maybe have to take advantage of a few other things that are available in C corpse that weren't available in S-corp. So, you know, we reimbursement program for medical expenses, long-term care insurance, mean deductible divert comp plans. You know, some other things like that, that all of a sudden, you know, okay, the C Corp is looking pretty good. You know, this is not a bad structure to have.

Susan Bryant, CPA (20m 13s):
So,

Tom Bronson (20m 14s):
So, so what you're telling me is that there's no just cut and dried answer. You should do this, or you should do that. You should really get your team of advisors. And that should always include a CPA and an attorney to have those conversations. We want to be involved in that conversation as well, but you should get those folks involved so that you can determine what is the right structure. So, one last question, before we take a break, in addition to corporate structure, are there other things business owner should consider adding to their strategic to-do list before year end?

Tom Bronson (20m 54s):
And I believe you want to start with that. And then this Susan,

Cleve Clinton (20m 57s):
In addition to a corporate structure, what should they be doing by year? I, I, I, I really believe that the biggest thing that can do is hold a company meeting and plan on what look at what happened in 2020 and plan for 2021, looking in the rear view mirror at 2020. I think that most companies, many companies have been the deer caught in the headlights for the last eight or 10 months. They've been paralyzed with pick one of any number of possible emotions. And really if they would just kind of pick their heads up and look around, there are some real opportunities out there, both in the near term and in the long-term for their businesses.

Cleve Clinton (21m 38s):
The trick is trying to figure out where do they need to pivot and turn into the new opportunities that have been presented a basic classic SWOT analysis? What are the company's strengths, weaknesses, fears, and threats and opportunities. And I would focus on the opportunities. The opportunities I think are, are really they're strong and they're vibrant, and there's going to be a big 20, 21. I think for many, many businesses, it's just those who have prepared for it. We'll do the best.

Tom Bronson (22m 11s):
I couldn't agree more completely with you, even companies that have been dramatically impacted by COVID, if they really sat down and explored the opportunities and, and seized on those opportunities, many of them have come out sort of on the, well, we hope on the backside of this much stronger than they were even beforehand. There is always opportunity when, when, when adversity happens, Susan, same question to you. Anything that we need to add to the strategic to-do list.

Susan Bryant, CPA (22m 41s):
Yeah. So I think compliance is going to be a really big thing going into 2021. So if you, if you charge sales tax and you have sales tax nexus and other States, or you potentially have that, I think you need to check it out. The States are going to be really desperate for money sales tax audits are going to go up, get ready. So get your compliance in order. I definitely, I think also the IRS is going to start getting really rigid about things. When, because when an audit does happen, when you do get slated, even though we know the rate of audits are going down, when you do get selected, I think they're going to start hammering. So we've got to make sure we've got substantiation, we've got records.

Susan Bryant, CPA (23m 22s):
So, I mean, when, when your CPA starts asking you, I need the whole detailed general ledger. I need everything to support this. The W2's I need to see the 10 90 nines. They need it, and you want them to have it cause they're going to keep it in their records to help you, if you get audited. And then I think this is an ancillary things. Like, I really think this is a good time of year to talk about like HR compliance, like go through and look at your files. I mean, I'm an HR person, but I know that that's a really big deal. Make sure you've got all the right training, you know, things in place for people you've got budget set for people and for your company, you're really going through and taking a holistic look, what are you trying to accomplish next year? And getting those initiatives laid out in the company.

Tom Bronson (23m 60s):
Awesome. All, all great things. So we're talking with Cleve Clinton and an attorney with gray Reed and Susan Bryant principal with the accounting firm and B group. Let's take a quick break back in 30 seconds.

Announcer (24m 13s):
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Announcer (24m 54s):
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Tom Bronson (25m 5s):
<inaudible>. And we're talking about year end planning. So let's switch over to business tax planning. We talked a little bit about that in the first half. Susan, what advice would you give your clients as we move toward year end,

Susan Bryant, CPA (25m 27s):
Make sure your accounting records are updated so that you can give them to your CPA so that we can actually help you to develop a strategy to reduce your taxes. So, I mean, everything begins with accounting records. If you don't have good accounting records, there's no way that we can do tax projections. So, and it really becomes meaningless any strategy that you have. So that's the beginning point from there? I really think business owners have to really have discussions about using money in the right way. So I'm not a fan of spending money just to get a tax deduction. It's spending money, get the tax deduction. And it's an ROI in my business somehow. So if I buy a piece of equipment, I get the tax write off, but then there's also some reason in the business where I get a return on having spent that money.

Susan Bryant, CPA (26m 9s):

So I know a lot of people are like, Oh, we're just going to reap it, spend some money. And you know, that's going to reduce our taxes, but that mean your cash is way more valuable than a deduction. So you really have to go in with that mindset. It is time to let's leverage and use that QBI deduction, as long as we have it this year, maximize it. So many business owners have no idea what that is and they miss it. And the CPAs, there's a lot of CPAs who haven't quite figured it out just yet. So we're not running enough payroll before he ends year end. So we there's a lot of them that are leaving deduction on the table. So that's where I would start with year end tax planning.

Tom Bronson (26m 49s):
So cash is King. I'm a huge fan of that. And if, if we didn't learn anything else out of 2020, we should learn that it's very important to have a healthy liquid asset on your balance sheet. And so, yeah, don't, don't go spending just to spend make sure that that's a great advice to make sure that you're going to get a great return on your investment when you do invest, Susan, do you have a, like a laundry list of action items that that business owners should take, you know, before he had year end, just kind of tick those things down?

Susan Bryant, CPA (27m 25s):
Oh yeah, absolutely. So, I mean, it's anything from really look at how you file taxes on what basis so cool versus cash. Sometimes it makes sense to be one or the other a lot. Again, people do not receive the proper advice on how to choose that. They just, it's just a default. It can be changed with the proper application to the IRS, definitely the QBI deduction, prepay of your cash basis, taxpayer prepaying, certain expenses that, you know, you're already gonna have prepay them and get the tax write off. Now, although I would maybe, I don't know, this year, I might also be making some recommendation to say, well, depending on what happens with the election, that deduction might be more valuable to me next year because we can, we have a change in power then tax rates are likely to go up and that deduction might be worth more to me next year.

Susan Bryant, CPA (28m 18s):
So there's a lot of thinking that has to happen. That goes into that. And there are opportunities to write off inventory and take, write offs for that. I had one client where we wrote off their inventory under the TCJ. It was about $5 million right off, it resulted in a net operating loss on their personal return. We cured it back and we got them $500,000 back of taxes that they had paid in the 39.6% tax rate. So it's just found money. So with the, with the cares act this year, the fact that we have the ability to carry losses back, I mean, it's definitely something worth investigating for sure. So I'm always working with your CPA, talking about charitable deductions on the personal side, should

you, if you are philanthropic uses of a donor advised fund, sort of lumping in a series of years of donations into one year, especially if you've got a high income projection for one year would be really awesome and maybe that'd be something you would save for 2021 as well, making sure you are connecting your financial advisor with your CPA.

Susan Bryant, CPA (29m 21s):
So if there are capital gains capital losses, any other activities that are happening with your, your investments that they know and they're planning for the tax ramifications of what those might be. So, but I literally could spend an hour.So while I think the good news is, is we agreed

Tom Bronson (29m 43s):
Before we recorded this, that you're going to give us kind of the top 15 tax planning. We're going to have you guest blog that this week on our website. So be on the lookout for that as well. So we've alluded several times to, to the election, the upcoming election, but it is upon us. This podcast is actually being recorded on election day. And so we don't yet know the outcome. And, and frankly, when this is released next week, of course it will be today when you hear it. But when it's released, we may still not know the outcome. So regardless of the outcome, should business owners be thinking about minimizing taxes this year and what should they do next year to do the same thing?

Susan Bryant, CPA (30m 34s):
No, that's so, I mean, every, every tax dollar

Tom Bronson (30m 38s):
Fair Susan, bring it, bring your crystal ball,

Susan Bryant, CPA (30m 41s):
Every tax dollar we can keep in our business. And we don't remit to the government is a dollar is working for us. We give it to the IRS, you know, then it's working or is the government going to put it to work the same way you would now? Absolutely not. We already know that. So our number one goal is obviously we're operating within the code where every regulation we're doing everything we can legally to minimize the amount of taxes we pay ins. We can keep that money in our business so we can create more jobs and opportunity for, for our companies. So, I mean, any, any year we can save taxes is a year we've been successful in our jobs, but in successful in building those businesses and keeping them strong.

Susan Bryant, CPA (31m 26s):

So going into next year, I think we're going to have same philosophy, but I think the way that we potentially execute those things is going to be far different. So

Tom Bronson (31m 37s):
Yeah, with the, with the tax changes that I think it was December 17, right? The last sort of sweeping tax changes, the, that were announced, we can have the same thing next year, especially if the administration changes. And so, you know, at that point I would, I would recommend that you get with your tax professional to think about what those changes are and what the impacts might be and some things that you might do. So right now, everything that we talk about for sort of for 2020 is a little bit conjecture, but same question to you, you know, what should business owners be thinking about? You know, now that this election is, is upon us Cleve?

Cleve Clinton (32m 20s):
Well, at first I was imagining I was going to be sounding contrary to Susan or what she said initially. And then she circled back around and said, if you can get the tax money in your pocket this year, take it. And that was my advice. That was going to be my advice as well, if you can minimize taxes do so. The other thing that struck is that what happens in be interesting. We were talking as if a lot of things must be done. If the current administration stays into next year, all the more reason to take advantage of whatever the tax benefits are this year and begin your planning for, for taxes next year as well. So you never know whether you'll have the option next year, even if the S the same administration stays in place, take the money.

Cleve Clinton (33m 6s):
Well, what if it's on the table? Take it off the table this year.

Tom Bronson (33m 9s):
Yeah. I'm a big fan of go ahead and minimize your taxes now and think of a way next year to be able to minimize the, do the same thing, if at all possible. So, so it really depends on what happens in the next few weeks. So, so one last question, this podcast is all about maximizing business value. We'll start with you Clevhat's the one most important thing you recommend business owners do before year end to build long-term sustainable value in their business.

Cleve Clinton (33m 40s):
I've already alluded to it, have your annual meeting report on what the company has done this last year in ways that will be useful to you down the road, whether you're selling your business or dealing with what later becomes our rate owners and evaluate

what your opportunities are. There's a lot of opportunities out there any time there's that this kind of chaos intersecting with stability in the middle of all, that is a lot of opportunity for creativity and a lot of opportunities for growth and redirected business profits. So good luck and seize the opportunity while it's there.

Tom Bronson (34m 18s):
Awesome. Same question to you. What is the one most important thing you recommend business owners do to build long-term sustainable value in their business? Isn't

Susan Bryant, CPA (34m 27s):
I think at this year more than any other year, it is important to make sure you have chosen the right advisors to surround yourself with this is really important, whether it's a financial advisor who can help guide you and direct you, you know, on your investments, personal or in the business to make sure you're, you're only taking the amount of risk that you are willing to take on the accounting side, that you are working with a tax advisor who is up to date with their knowledge of the law, that they spend time being educated and learning and working with the same type of clients that you are. And then on the legal side, making sure that you have someone who is in your corner, really advocating for your business in terms of how it's structured and making sure that all of these elements.

Susan Bryant, CPA (35m 11s):
And then of course, Tom, other business professionals like yourself, making sure that you're thinking about long-term planning, you know, have you have a sales and marketing strategy? Do you have HR resources mean so many advisors that you need to be surrounding yourself with? Make sure you got the right team.

Tom Bronson (35m 28s):
Yeah, I, wow. I couldn't, I couldn't have said that better myself, as, as you both know, it's and my clients know that I have a firm belief that not all CPAs are kind from the same cloth and not all attorneys are cut from the same cloth. If your interaction with your CPA is once a year at tax time, then you probably might consider talking with, or updating that relationship or getting a new CPA. Same thing. If the only time you ever talked to your corporate attorney is when you're in trouble, then you probably ought to think about finding a better attorney. And we've got great choices sitting right in front of you folks that you can see today, both Cleve and Susan would be great choices to either of those roles.

Tom Bronson (36m 12s):
Of course, you, you both have been on the podcast before. And I always ask the same question at the end of the podcast, but since I've already asked that question of you, which is the personality trait, that's gotten me into most trouble through the years, we already know the answer to that. So in light of this being November and with Thanksgiving right around the corner of the burning question of the day is murky or ham. And what's your favorite Thanksgiving dessert? So Gleevec we'll start with you.

Cleve Clinton (36m 40s):
Well, of course, Tom, it would have to include my favorite. This is maximizer Tom Bronson and, and my soon to be favorite CPA, Susan Bright. But with those I, I'm a ham kind of guy I'd go with him. And I would also go with the con pot olive mode.

Tom Bronson (37m 0s):
Ooh, wow. Great choices, Susan, what about you?

Susan Bryant, CPA (37m 3s):
Okay. So I'm picky about my Turkey. I like him, but for Thanksgiving Turkey, but I really like smoked Turkey. So that's, that's where I would go. And then for dessert, I'm going to stick with good old pumpkin pie.

Tom Bronson (37m 18s):
Awesome. I'm going with you on both counts there, Susan, I, I typically get a heritage Turkey. They're very expensive, but organic grass fed, you know, and, and, but very delicious. I have a big smoker Outback smoke that baby for a few hours before Thanksgiving dinner. And it is awesome. Be sure you cut your Turkey correctly so that it retains the juices. If you want to know more about that, I can recommend a website to go to, but pumpkin pie, my grandmother used to make pumpkin pies from pumpkin's. You know what a novel concept, you know, pumpkin doesn't grow in a can.

Tom Bronson (37m 58s):
It's a big orange thing at Thanksgiving. And, and I will tell you that I have never, in my life eaten a pumpkin pie that was made from pumpkin out of a can. And my wife, God love her for, for the, one of the many thousands of reasons that I love her each year. At this time of year, she goes through the process of taking pumpkins, you know, cooking them down, scraping it out and making me a real pumpkin pie. And, and I love her for that. And many other reasons. So smoked Turkey and, and pumpkin pie, but Cleve I'll stop over and have some ham and a, and a pecan pie at your place perhaps the day after Thanksgiving.

Tom Bronson (38m 42s):
So, so how can our viewers and listeners get in touch with you first Cleve then Susan?

Cleve Clinton (38m 48s):
Well, again, I'm Cleve Clinton of advisor and counselor. Also a board certified civil trial lawyer at gray Reed and McGraw. You can find us at grayreed.com also do a monthly blog called tilting the scales that you're welcome to check out some time and see if it answers the city of your legal quesions.

Tom Bronson (39m 12s):
Awesome. Susan, how about you?

Susan Bryant, CPA (39m 14s):
Awesome. Yes. Again, my name is Susan Bryant. I'm a principal with the MB group. You can reach us at mbgcpadotcom or you can email me at sbryant@mbgcpa.com and yeah, I would love to have people visit our website too. You got lots of resources out there and I'm always live sharing things like this with, with our, our clients as well.

Tom Bronson (39m 37s):
Awesome. If you are looking for an attorney, I highly recommend you talk to cleave. If you're looking for a new CPA, then I would highly recommend, of course, that you talk to Susan. You can find both of them at their respective websites or on LinkedIn, of course, feel free to reach out to me and I'll be happy to make a warm introduction, Cleveland, Susan, what a fun conversation. Thank you for being on today. Awesome. This is the maximize business value podcast, where we give practical advice to business owners on how to build long-term sustainable value in your business. Be sure to tune in each week and follow us wherever you found this podcast.

Tom Bronson (40m 18s):
Be sure to comment. We love comments and we respond to all of them. So until next time, I'm Tom Bronson reminding you to plan for year end while you still have the time as you maximize your business. Now

Announcer (40m 36s):
Thank you for tuning into the maximize business value podcast with Tom Bronson. This podcast is brought to you by mastery partners, where our mission is to equip business owners to maximize business value so they can transition on their terms, Venmo on how to build long-term sustainable business value and get free value building tools by

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Announcer (41m 5s):
Check it out.

Tom Bronson (41m 21s):
<inaudible> that was perfect. I wouldn't make any changes on that.