

FENCELINE TO SUCCESS

Workbook



Mission-Vision-Strategy



Mission – Why an organization exists



Vision – What the organization seeks to become



Strategy – How the organization intends to achieve its mission and vision

Developing a Company Mission Statement

WHAT

*- Customer needs you are attempting to
(not what products services are offered)*

HOW

*-Tasks
-Technologies
-Methods*

WHO

- The primary customers are

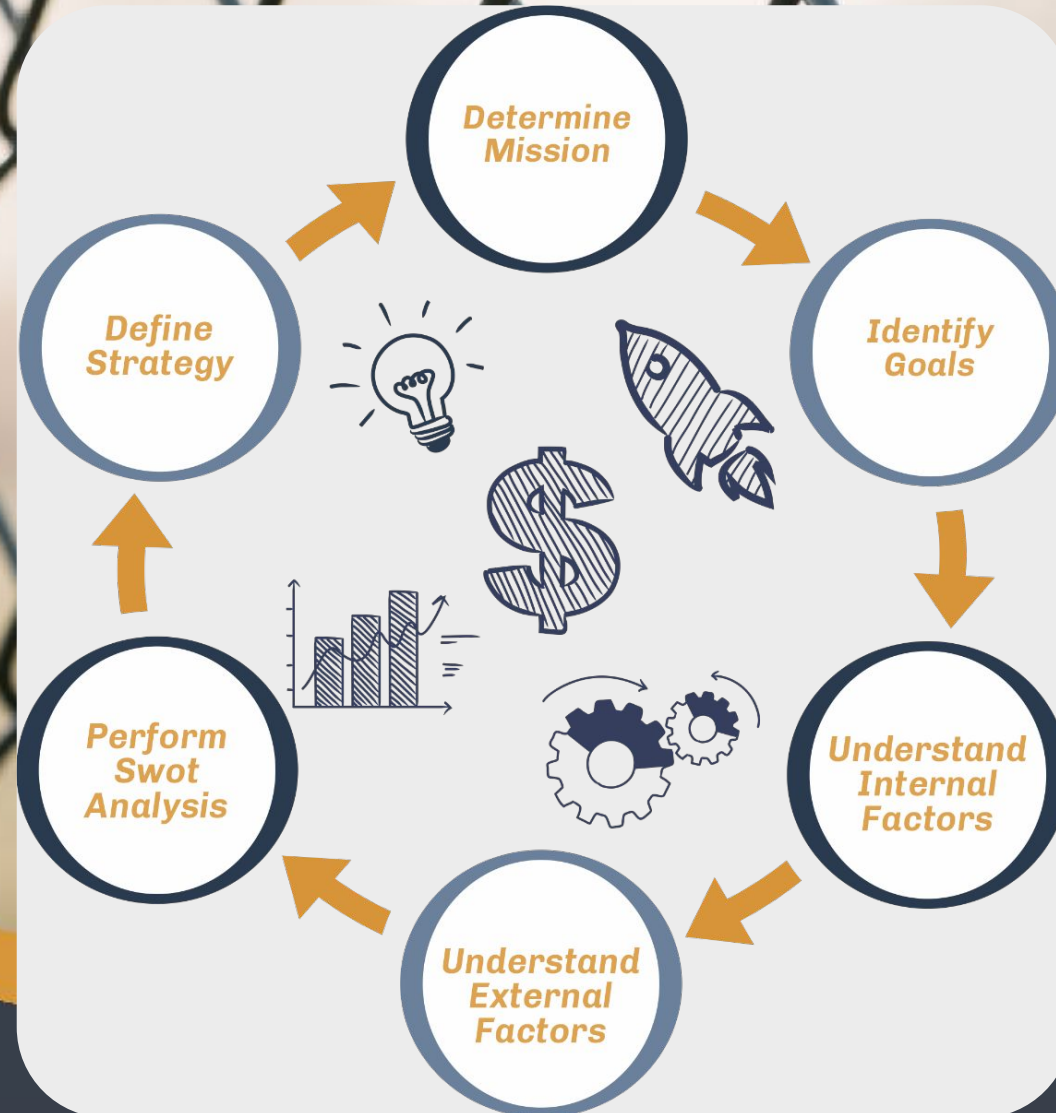
WHY

*- Reasons or motivations for the work
you do*

Distinctive Competence

*- What you want emphasized
- What makes you different
- What you want customers to think of you*

Strategic Planning Cycle



Strategic Planning Focus

- **DRIVERS**

- **GOALS**

- **STRATEGIES**

- **TIMELINES & RESULTS**

Strategic Planning Considerations

Products and services that will be provided by the business and how they will be designed and delivered

Organizational and functional design, and roles that will be needed by the organization

Performance goals established for positions throughout the business

Company committees assigned and placed in roles of responsibility

Resources needed to achieve goals and procure resources

Environmental Scan Factors

Demographics

**Politics &
Public Policy**

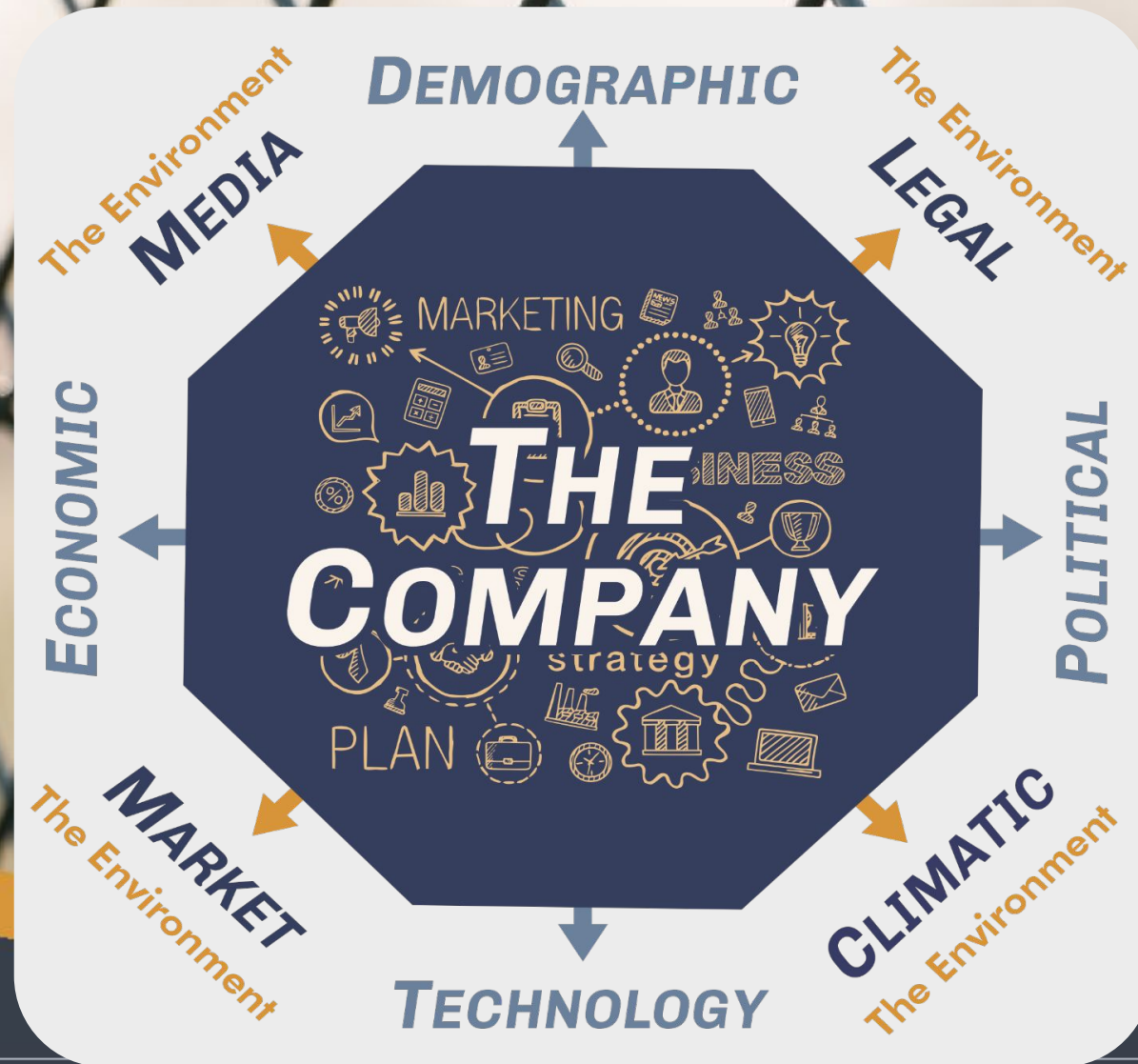
Economies

Labor market

Technology

Research

Environmental Scan Process



SWOT Analysis

- Strengths
- Weaknesses
- Opportunities
- Threats

Strengths



Characteristics of a business which give it advantages over its competitors.

Weaknesses



Characteristics of a business which make it disadvantageous relative to competitors

Opportunities



Elements in a company's external environment that allow it to formulate and implement strategies to increase profitability

Threats



Elements in the external environment that could endanger the integrity and profitability of the business

SWOT Analysis

- **Strengths**

- What are our company advantages?
- What resources do we have?
- What products/services are performing well?

- **Weaknesses**

- Where can we improve?
- What products are underperforming?
- Where are we lacking resources?

SWOT Analysis

- **Opportunities**

- What can we do to expand our core operations?
- What new market segments are available?
- What new products or technologies are available?

- **Threats**

- What does our competition do well?
- What new license or government regulations are being imposed?
- What consumer trends will force our business to adjust?

Business Plan Development Management Factors

What profit margins do we expect to achieve?

What products and services do we provide?

What equipment and tools will be required?

What resources (human and capital) do we need to achieve our goals?

Will our company need to offer financing?

Business Plan Development Market Factors

What specific target markets do we want to focus on?

What markets are we overlooking that could be a company niche?

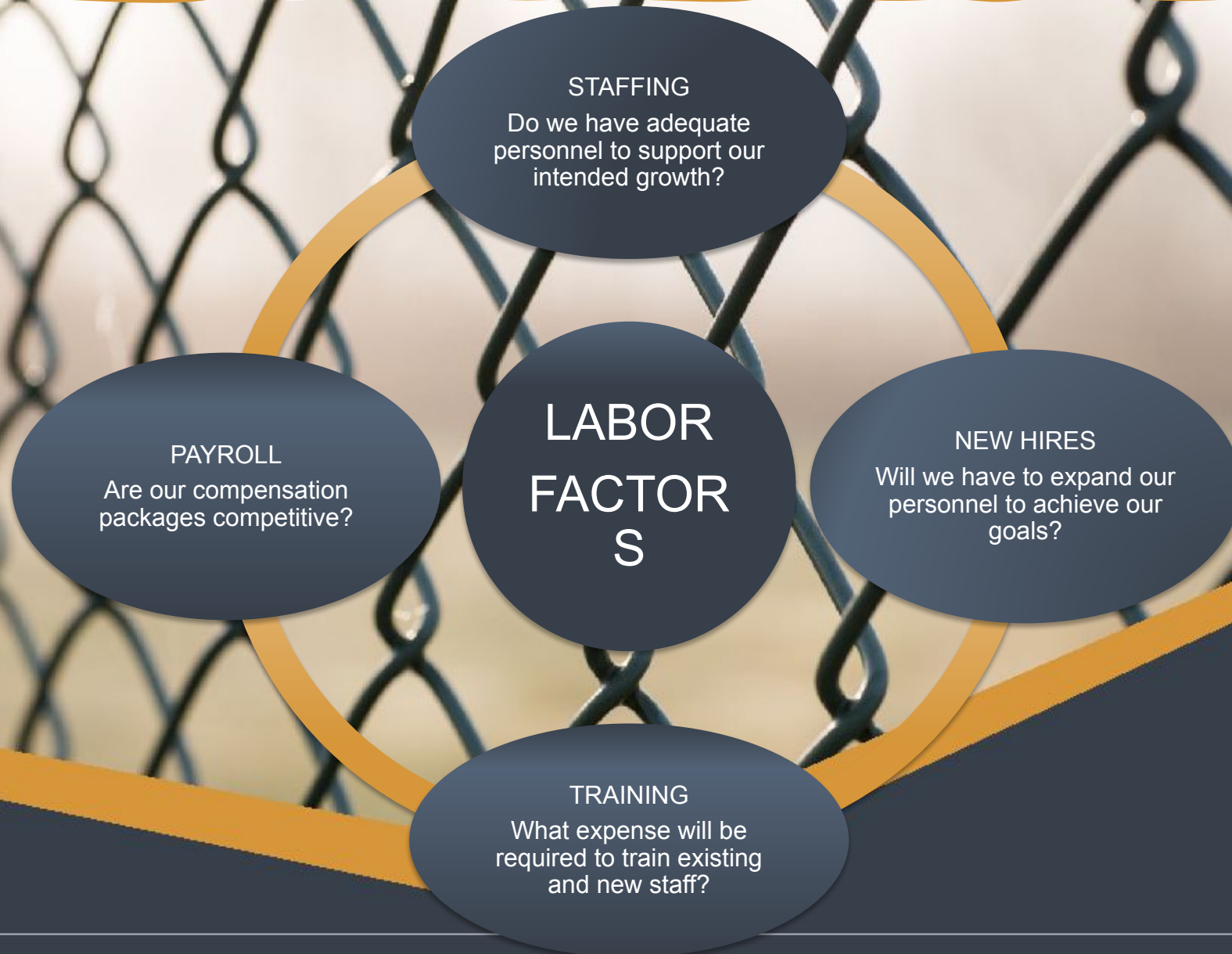
What areas should we focus our sales efforts?

What if changes occur and how would we deal with them?

What segments provide the company its best profit margins?

What market percentages are required to meet our goals?

Business Plan Development - Labor Factors



Business Plan Development Facilities & Equipment

Will existing facilities support the company growth?

Will the company be required to purchase a new facility?

What equipment will be required to meet expansion needs?

In what potential niche is the company best positioned to expand?

Business Plan Development Financial

What are cash flow projections for the next one to three years?

What capital expenditures will be required?

Does the company have the financial relationships to support its needs?

What will the growth and expansion cost the company?

Business Plan Development Competition



What are my competitor's strengths and weaknesses?



What is my competitor's market share?



What is my competitor's management style?



What level of service and what quality is being offered?



What is the competition's service capability?



In what areas can our company outperform our competition?

Business Plan Development

Branding, Marketing and Advertising

- Has the company developed a marketing strategy?
- What image and culture does our company need to project?
- How does the marketing plan mesh with our sales plan?
- What approaches is the company using?

Word of mouth

Print media

Community Engagement

Sales Referrals

Vehicle branding

Banners & Billboards

Promotions

Direct Mail

Electronic Media

Business Development Cycle



A close-up photograph of a chain-link fence, showing the diamond-shaped mesh pattern. The fence is slightly out of focus, with a soft bokeh effect in the background. The lighting is bright, creating a warm, golden glow. A dark blue banner with a gold border is positioned at the bottom of the image.

FENCELINE TO SUCCESS



**TEAM
and
Company
Culture**

TEAM and Company Culture

- **Company culture starts at the top**
- **Establish your team**
- **Pay them well**
- **Establish the culture and lead by example**



Recruiting the Right People



Don't rush the hiring process



Talk to your network



Advertise on your website and social media platforms



Establish a hiring budget



Be accurate, thorough and transparent

Interviewing Candidates

Be

Be clear on job responsibilities

Create

Create a consistent interview process

Do

Do rigorous research before extending an invitation for an interview

Offer

Offer the job only to the best candidate



Onboarding New Employees



Create an onboarding program



Create job-specific training events



Set goals and keep them busy from the start

Retaining Employees

- Empower new employees
- Be available to employees
- Communicate regularly
- Keep employees motivated
- Celebrate successes
- Work through failures
- Invest in business tools

EMPLOYEES STAY WHEN THEY ARE...



1. PAID WELL



2. MENTORED



3. CHALLENGED



4. PROMOTED



5. INVOLVED



6. APPRECIATED



7. TRUSTED



8. EMPOWERED



9. VALUED

Benefits of Training

Increased productivity and performance

Uniformity of work processes

Reduced waste

Reduced supervision needs

Aids in promoting from within

Improved organizational structure

Boosts morale

Improved knowledge of policies and goals

Improved customer valuation

Better workplace environment

Improved and updated technology

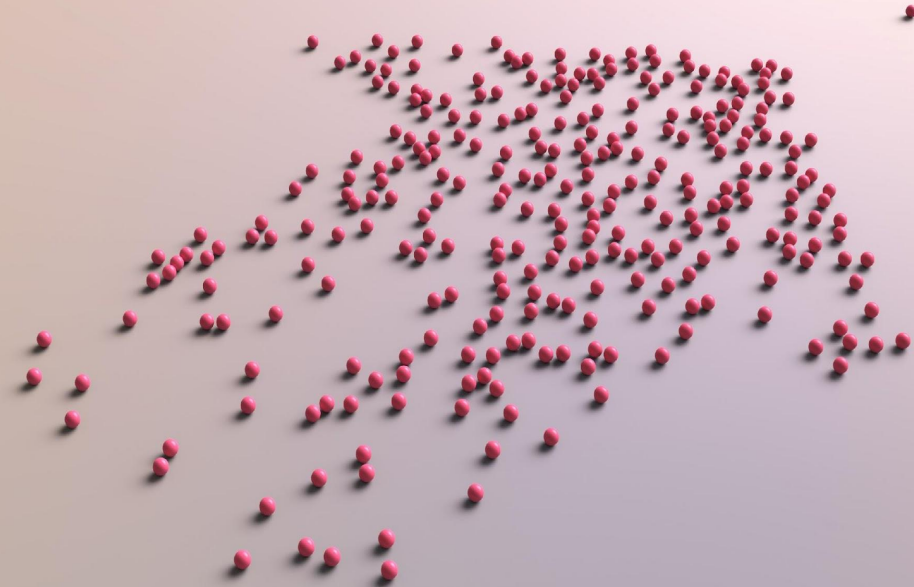
TEAM Management Process



Establishing a Company Culture

Lead by example

- ❑ Listen to your team
- ❑ Collaborate, don't isolate
- ❑ Be transparent
- ❑ Say nice things
- ❑ Support your team
- ❑ Motivate
- ❑ Encourage a healthy work-life balance
- ❑ Have compassion, dignity and respect
- ❑ Keep your door open
- ❑ Connect with them as people
- ❑ Be friends with TEAM members
- ❑ Reward results



Things to Avoid

Lack of recognition

Favoritism

**Unhealthy/poor
communication**

Gossip

Burnout

Poor leadership

Unclear expectations

**Loosened code of
conduct**

***Do what I say, not
what I do***

**Discussing issues in
a public or
degrading manner**

Micromanaging

Considerations for Company Culture

**EFFECTIVE ORGANIZATIONAL CONSIDERATIONS
FOR COMPANY CULTURE**



- Motivated Leadership
- Clear Vision and Priorities
- Clear Roles and Accountability
- Organizational Structure that Supports Mission Statement
- Establish an Exceptional Team
- Performance Measures and Incentives Aligned to Strategic Plan
- Superior Execution of Procedures
- Effective and Efficient Execution of Processes and Systems
- "High Performance" Values and Behaviors
- Expectations = Accountability



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**Incentives
&
Bonuses**

Incentive and Bonus Programs

- An ***incentive*** is individually created for each type of position and used to improve individual work performance
- The purpose of a ***bonus*** is to motivate and reward employees for exceptional performance and contribution of additional profits to the company

A close-up photograph of a chain-link fence, showing the diamond-shaped mesh pattern. The fence is slightly out of focus, with a soft bokeh effect in the background. The lighting is bright, creating highlights on the metal links.

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**Business
Structure**

Business Structure

- **Sole Proprietorship**
- **Partnership**
- **S Corporation**
- **C Corporation**
- **Limited Liability Company (LLC)**

Business Structure

	Sole Proprietorship	General Partnership	S Corporation	C Corporation	LLC
Liability	Unlimited personal liability for the owner	Unlimited personal liability for the owners	Typically limited to investment	Typically limited to investment	Typically limited to investment
Taxation of Income	Directly to Owner	Directly to Partners	Taxed once at corporate level and again as dividends	Business profits taxed as personal income of shareholders.	Generally taxed as a partnership
Self-Employment Taxes	Yes	Yes if general partnership No if limited partner.	No, since payment for employment is in the form of wages	No, since payment for employment is in the form of wages	Depends on tax status of LLC
Complexity of Formation	Easiest to Start	- Relatively easy to start. - Partnership agreement is recommended but not required	Most complex. File with Secretary of State. Form bylaws and have board & Shareholders meetings	Most complex. File with Secretary of State. Form bylaws and have board & Shareholders meetings	File with Secretary of State and in many cases adapt an operating agreement
Entity Pros	-Easiest and least expensive to form -No separate tax return	Chance of business success enhanced if right combination of partners	Limited personal liability for shareholders.	Limited liability without double taxation like S Corporation	-Limited liability with partnership tax treatment - Fewer administrative requirements than corporation
Entity Cons	Unlimited Liability	- Unlimited liability - Each partner legally responsible for the business acts of other partners	- Cost of formation - Administrative requirements and record keeping - Double taxation of profits	- Cost of formation - Administrative requirements and record keeping	- Cost of formation - Tax and liability treatment of LLCs is not consistent across state lines
Typically Best For	Owner of a small business with no employees and little risk of being sued	Owner of a small business with no employees and little risk of being sued	Company seeking significant outside investment	Company seeking some investment or wanting to shield personal assets	Company wanting to shield personal assets

No matter which type of business organization you choose to form make sure you consider all of your options and consult with a legal professional to fully understand the benefits and drawbacks to each type of entity

Independent Contractors

Select the Scenario that Applies to YOU

- If you are a business owner or contractor who provides services to other businesses, you are considered self-employed
- If you are a business owner hiring or contracting other individuals to provide services, you must determine if they are employees or independent contractor

www.irs.gov/business

Common Law Rules

- Does the paying company control how the worker does his or her job?
- Are the business arrangements of the worker's job controlled by the paying company?
- Are there written contracts or employee type benefits provided to the worker?

Common Law Rules

- Does the paying company control the worker's schedule?
- Does the paying company provide tools or equipment to the worker?

It is important to understand these Common Law Rules and protect your company.

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Legal Overview

Legal Overview



Laws Affecting Employment

- **Americans with Disabilities Act (ADA)**
- **Fair Labor Standards Act (FLSA)**
- **Family and Medical Leave Act (FMLA)**
- **Immigration Reform and Control Act (IRCA)**

Termination of Employment

- Termination can expose an employer to liability, despite the *at will* relationship
- Thorough documentation should be maintained relating to the basis for termination
- Termination should follow company policy and be utilized consistently when necessary

Sexual Harassment

Types of sexual harassment:

- Unwanted touching
- Pressure to engage in sexual activity
- Inappropriate jokes or pranks
- Displaying offensive materials in the workplace
- General conduct of an abusive nature
- Creation of a hostile work environment



Sexual Harassment

A claimant must show:

- They were subjected to harassment
- The harassment occurred because of the victim's sex
- The harassment affected employment
- The employer knew or should have known about the harassment



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**Insurance
Overview**

Insurance Issues



Risk Management

Risk management is the practice of identifying, assessing and dealing with uncertainty.

There are four primary methods of managing risk:

1. Avoid it
2. Control it
3. Accept it
4. Transfer it

A close-up, slightly blurred background of a chain-link fence. The fence is made of dark metal links. The overall color palette is warm, with a gradient from light beige to a darker tan. At the bottom of the image, there is a decorative orange and dark blue wavy border.

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Accounting Overview

Income Statement

The Income Statement, also called a Profit & Loss Statement, measures a business's financial performance for a period of time, called an accounting period.

Sample Single-Step Income Statement

ABC Company
Income Statement
For the Year Ended December 31, 2009

Revenue:	
Sales	\$ 1,480,000
Interest revenue	35,000
Dividend revenue	15,000
Infrequent or unusual gains	9,000
Total revenue	<u>1,539,000</u>
Expenses:	
Cost of goods sold	600,000
Selling	100,000
Administrative	220,000
Interest expense	15,000
Infrequent or unusual losses	4,000
Total expenses	<u>939,000</u>
Income before income taxes	600,000
Income taxes	<u>208,000</u>
Income from continuing operations	<u>392,000</u>
Discontinue operations:	
Income from operations, less income tax of \$24,800	54,000
Loss on disposal, less income tax of \$41,000	<u>(90,000)</u>
Total discontinued operations	<u>(36,000)</u>
Income before extraordinary item	356,000
Extraordinary item, less income tax of \$23,000	<u>(45,000)</u>
Net income	<u>\$ 311,000</u>

Components of an Income Statement

- Sales Revenue
- Cost of Goods Sold (COGS)
- Gross Profit
- Marketing, Advertising and Promotion Expense
- General and Administrative (G&A) Expense
- Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)
- Depreciation and Amortization Expense
- Operating Income
- Interest
- Other Expenses
- EBT (Earnings Before Tax)

Balance Sheet

A Balance Sheet, also known as a Statement of Financial Position, is a summary of the financial balances of a business. A Balance Sheet is described as a snapshot of a company's financial condition.

BALANCE SHEET				
<i>As of December 31, 2021</i>				
WHAT THE COMPANY OWNS	ASSETS		LIABILITIES	
	Cash	481	Accounts Payable	625
	Marketable Securities	1,346	Current Portion L-T Debt	1,021
	Accounts Receivable	1,677	Taxes Payable	36
	Inventory	2,936	Accrued Expenses	<u>157</u>
	Prepaid Expenses	172	Total Current Liabilities	1,839
	Other Current Assets	58	Long-Term Debt	2,332
	Total Current Assets	6,670	Total Liabilities	4,171
	Gross Value of Property, Plant & Equipment	2,019		
	Accumulated Depreciation	<u>(664)</u>		
Net Property, Plant, Equipment	1,355			
Note Receivable	<u>349</u>			
Total Assets	8,374			
		OWNERS EQUITY		
		Common Stock and Paid-in Cup	194	
		Retained Earnings	4,009	
		Total Shareholders' Equity	4,203	
		Total Liabilities and Equity	8,374	

WHAT THE COMPANY OWES

SHAREHOLDERS EQUITY



Mark-Up vs. Margin

Mark-up is the amount added to the cost of a product to arrive at a selling point.
Margin is sales minus the cost of goods sold.

The following demonstrate the differences between margin and markup percentages:

- To arrive at a 10% margin, the markup percentage is 11.1%
- To arrive at a 20% margin, the markup percentage is 25.0%
- To arrive at a 30% margin, the markup percentage is 42.9%
- To arrive at a 40% margin, the markup percentage is 80.0%
- To arrive at a 50% margin, the markup percentage is 100.0%

Mark Up %	Gross Margin
15%	13.00%
20%	16.70%
25%	20.00%
30%	23.00%
33.3%	25.00%
40%	28.60%
43%	30.00%
50%	33.00%
75%	42.90%
100%	50.00%
150%	60.00%
200%	66.60%

Accounting Cycle



Direct vs. Indirect Costs

DIRECT COSTS

(Traceable to Specific Projects or Services)



Project Materials



Direct Labor



Subcontracted Services



Shipping Expenses

INDIRECT COSTS

(Not Specifically Traceable to Specific Projects or Services)



Shop Rent



Machinery Repairs



Equipment Depreciation



Purchasing Manager Salary



Utilities



Packaging Materials

Budgeting

Objectives for Company Budgeting

- To establish standards against which performance can be measured.
- To create a measurement tool so that unsatisfactory performance can be corrected monthly.
- To formalize and force the process of thinking through the business and the choice of a pre-planned Net Profit.
- To interrelate activities in a manner such that Management can anticipate and measure the impact of any business changes.

Budgeting

- To provide a standard against which to measure a key employee's performance.
- To provide a process by which to focus Management and Staff in a collective commitment to improvement of the operation.
- To provide a method by which to match resources to activities.

Budgeting

TFCGroup Fence					2022 Budget	
INCOME	Actual	% of TS	Budget	% of TS	Difference	
Sales						
Chain Link		-	100,000	38.5%	(100,000)	
Wood		-	50,000	19.2%	(50,000)	
Ornamental		-	50,000	19.2%	(50,000)	
Vinyl/PVC		-	25,000	9.6%	(25,000)	
Agricultural		-	10,000	3.8%	(10,000)	
Gate Automation		-	25,000	9.6%	(25,000)	
Other		-		-	-	
Total Sales (TS)	-	-	260,000	100.0%	(260,000)	
Cost of Goods Sold (from details section)						
COGS - Chain Link	-	-	25,000	9.6%	(25,000)	
COGS - Wood	-	-	23,000	8.8%	(23,000)	
COGS - Ornamental	-	-	34,000	13.1%	(34,000)	
COGS - Vinyl/PVC	-	-	12,000	4.6%	(12,000)	
COGS - Agricultural	-	-	5,000	1.9%	(5,000)	
COGS - Gate Automation	-	-	14,000	5.4%	(14,000)	
Total Cost of Goods Sold	-	-	113,000	43.5%	(113,000)	
Gross Profit	-	-	147,000	56.5%	(147,000)	

Collections

- Policies and Procedures
- Goals of a Collections Policy
- Collections Strategy
- Collections Procedures



Collections

Day 1-3 Past Due

- Confirm Invoice Sent
- Confirm No Disputes
- Send Automated Email

Day 4-7 Past Due

- Contact Consumer by Phone
- Ensure Disputes / Discrepancies Resolved

Day 8-14 Past Due

- 2nd Automated Email
- Follow up with professional phone call
- Notify Sales Rep that payment is past due

Day 15-30 Past Due

- 3rd Automated Email
- Follow up with professional phone call and explain late fees

Day 31-45 Past Due

- Mail Certified Letter on company letterhead stating 30 days late
- Notify Sales Rep to help with collections
- Apply late fees at 31 days

Day 46-60 Past Due

- Call and Email Customer every 3-5 days
- Notify Customer of possible liens and collection agency

Day 61-90 Past Due

- Notify Senior Management to prepare account for collection agency
- Place Lien on property if applicable
- Send letter for company legal counsel

A close-up, slightly blurred background of a chain-link fence. The fence is made of dark metal links. The overall color palette is muted, with greys and browns. At the bottom of the image, there is a decorative orange and dark blue curved border.

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Management
Procedures

Management Process

- **Establish Goals & Objectives**
- **Allocate Resources**
- **Direct the Goals & Resources**
- **Measure the Results**



Stages of the Management Process

- Gather information
- Evaluate the information
- Decide and organize
- Communicate
- Motivate
- Direct, guide and counsel
- Measure the performance
- Develop and train your team
- Promote creative thinking and innovation

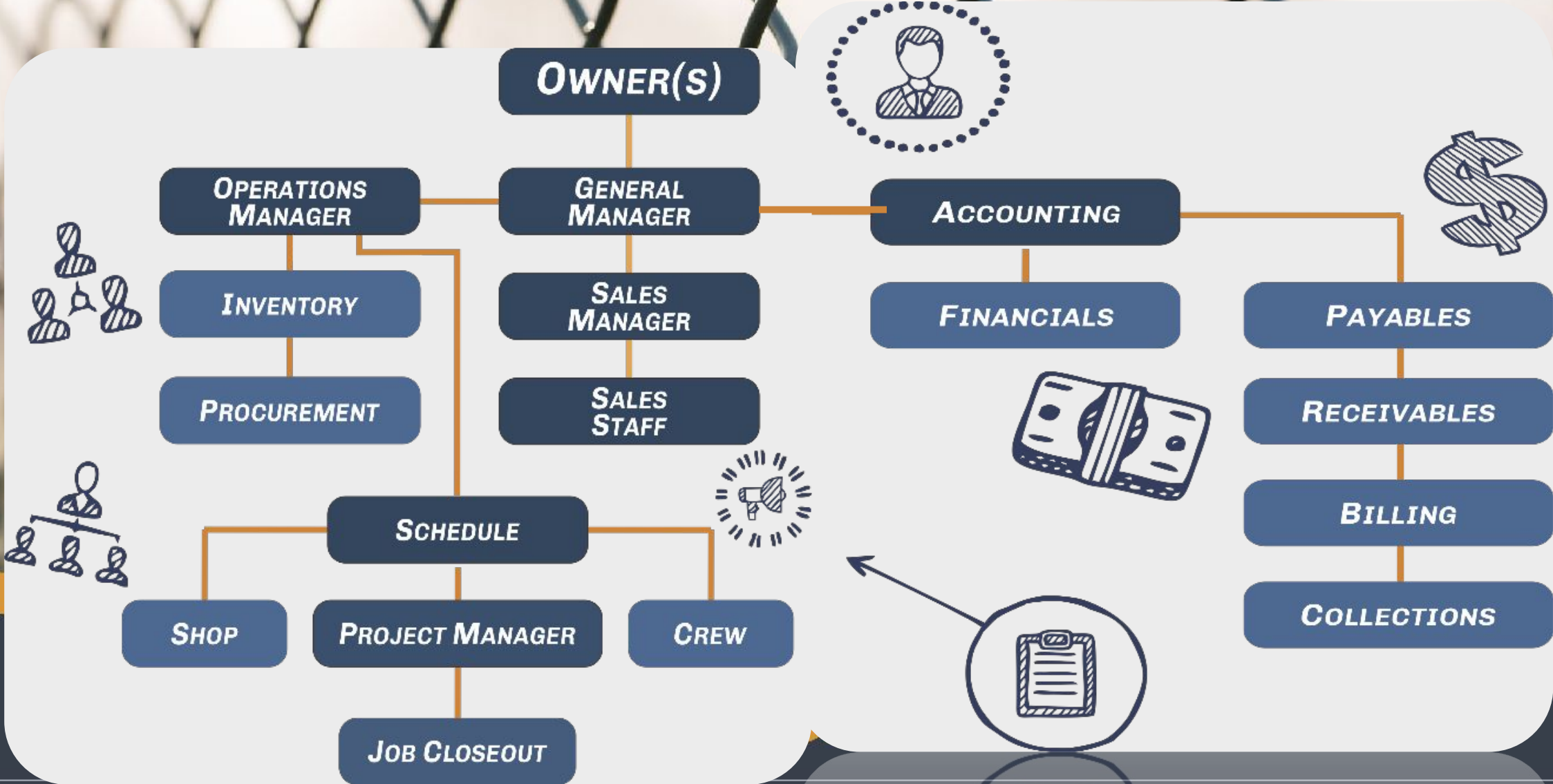
Management Process



Management Performance



Delegation of Authority





WORKERS VALUE LEARNING OPPORTUNITIES

Training ranks high among 15,066 U.S. workers surveyed.



57%
of U.S. workers
want to update
their skills.



48%
would consider
switching jobs
to do it.



71%
say job training
and development
increased their job
satisfaction.



61%
say upskilling
opportunities
are an important
reason to stay
at their job.

Source: The American Upskilling Study: Empowering Workers for the Jobs of Tomorrow, Gallup, 2021.

Source: The American Upskilling Study: Empowering Workers for the Jobs of Tomorrow, Gallup, 2021.

satisfaction.

at their job.
reason to stay

Pro-Active Management

- Define the problem
- Measure the parameters of the problem
- Analyze the data
- Define the solution
- Implement plan
- Monitor progress



Reactive Management

- Describe loss
- Evaluate parameters
- Analyze cost/time
- Define procedures to improve
- Implement procedures
- Monitor progress



Opportunities for Improvement



Human Resources Policies & Procedures



Employee Management





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**Marketing
and
Advertising**

Marketing & Advertising

- **Marketing** – a broad topic that relates to selling and providing a product or service or both
- **Advertising** – a subset of marketing, which seeks to reach the target audience to draw them to purchase the company's products or services
- **Sales** – the desired final result of marketing and advertising

Components of a Marketing Plan

- Market Research
- Market Geographical Region
- Market Demographics
- Market Trends
- Market Competition



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Market Strategic Planning

SWOT Analysis:

- Strengths
- Weaknesses
- Opportunities
- Threats

Strengths



Characteristics of a business which give it advantages over its competitors.

Weaknesses



Characteristics of a business which make it disadvantageous relative to competitors

Opportunities



Elements in a company's external environment that allow it to formulate and implement strategies to increase profitability

Threats

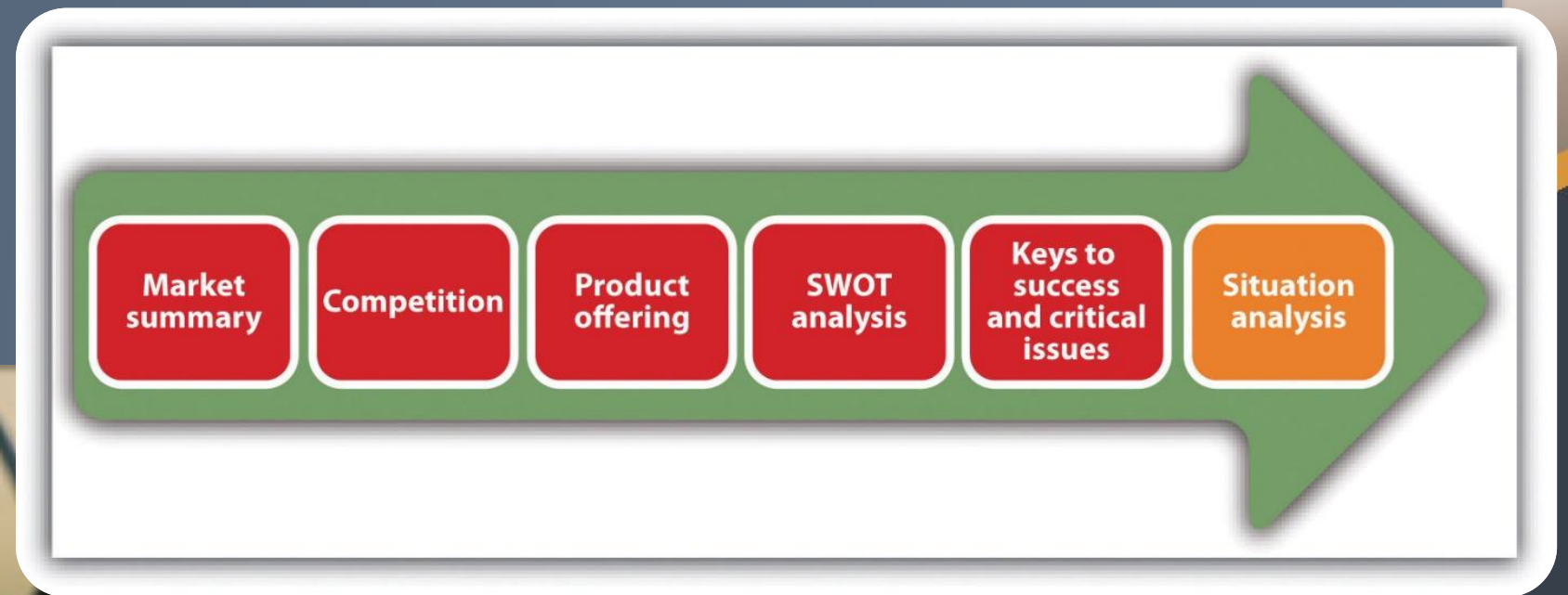


Elements in the external environment that could endanger the integrity and profitability of the business

Marketing Plan

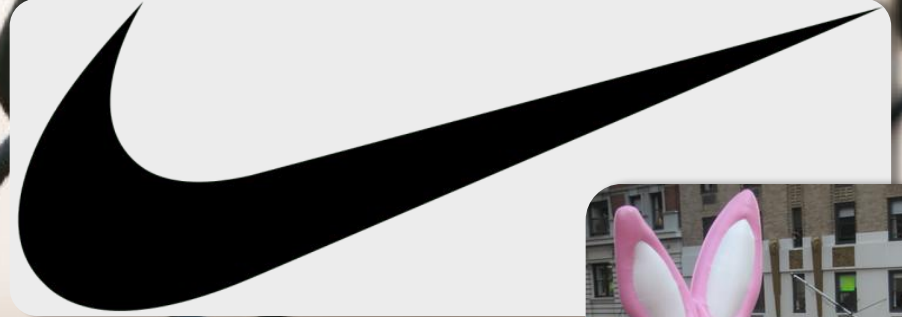
Qualities of an Effective Marketing Plan

- ✓ Specific
- ✓ Measurable
- ✓ Realistic



Branding

Branding is the strategy used to tie a company's products or services to the general public through image-building. When successful, branding creates a company image that appeals to the target audience.



Traditional Advertising Types

- Newspapers
- Magazines
- Direct Mail
- Television
- Radio
- Sponsorships



Social Media Platforms



- Facebook
- LinkedIn
- Twitter
- Instagram

Company Website

- Website must be mobile compatible
- Make it easy to find you
- Keep pages attractive and uncluttered
- Keep videos optimized and software current
- Simplify navigation
- Direct users to the company's social media pages
- Tell the company's story
- Seek professional assistance

Keys to Marketing Success



A background image of a chain-link fence with a blurred outdoor scene behind it. The fence is in the foreground, and the background shows a bright, possibly sunny, outdoor area.

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**Selling
Techniques
and Selling
Value**

Value Selling

Value selling is a sales method that relies on the benefits of a product or service to the customer, rather than putting the focus on the product's materials, cost or other traditional sales points.



Disadvantages of Price Selling

- **The perception of a business's quality can suffer**
- **Quality is frequently reflected in the price of a product**
- **Cutting prices tends to continue going on**
- **There is almost always a competitor willing to be the cheapest**
- **Cutting prices kills profit margins**

Discounting Graph

	20% Gross Margin %	25%	30%	35%	40%	45%	50%	55%	60%
2% Discount	11% Increase Revenue	9%	7%	6%	5%	5%	4%	4%	4%
4%	25%	19%	15%	13%	11%	10%	9%	8%	7%
6%	43%	43%	25%	21%	18%	15%	14%	12%	11%
8%	67%	47%	36%	30%	25%	22%	19%	17%	15%
10%	100%	67%	50%	40%	33%	29%	25%	22%	20%
12%	150%	92%	67%	52%	43%	36%	32%	28%	25%
14%	233%		88%	67%	54%	45%	39%	34%	30%
16%	400%	178%	114%	84%	67%	55%	47%	41%	36%
18%	900%	257%	150%	106%	82%	67%	56%	49%	43%
20%	*	400%	200%	133%	100%	80%	67%	57%	50%
25%	*	*	500%	250%	167%	125%	100%	83%	71%
30%	*	*	*	600%	300%	200%	150%	120%	100%

Increased Price Graph

	20% Gross Margin %	25%	30%	35%	40%	45%	50%	55%	60%
2% Increase Price	9% Decrease Revenue	7%	6%	5%	5%	4%	4%	4%	3%
4%	17%	14%	12%	10%	9%	8%	7%	7%	7%
6%	23%	19%	17%	15%	13%	12%	11%	10%	9%
8%	29%	24%	21%	19%	17%	15%	14%	13%	12%
10%	33%	29%	25%	22%	20%	18%	17%	15%	14%
12%	38%	32%	29%	26%	23%	21%	19%	18%	17%
14%	41%	36%	32%	29%	26%	24%	22%	20%	19%
16%	44%	39%	35%	31%	29%	26%	24%	23%	21%
18%	47%	42%	38%	34%	31%	29%	26%	25%	23%
20%	50%	44%	40%	36%	33%	31%	29%	27%	25%
25%	56%	50%	45%	42%	38%	36%	33%	31%	29%
30%	60%	55%	50%	46%	43%	40%	38%	35%	33%

Walking Away

Know when to let go of a sales proposal. If a customer will not permit you to work within your profit margins or becomes too difficult to work with, be willing to walk away.





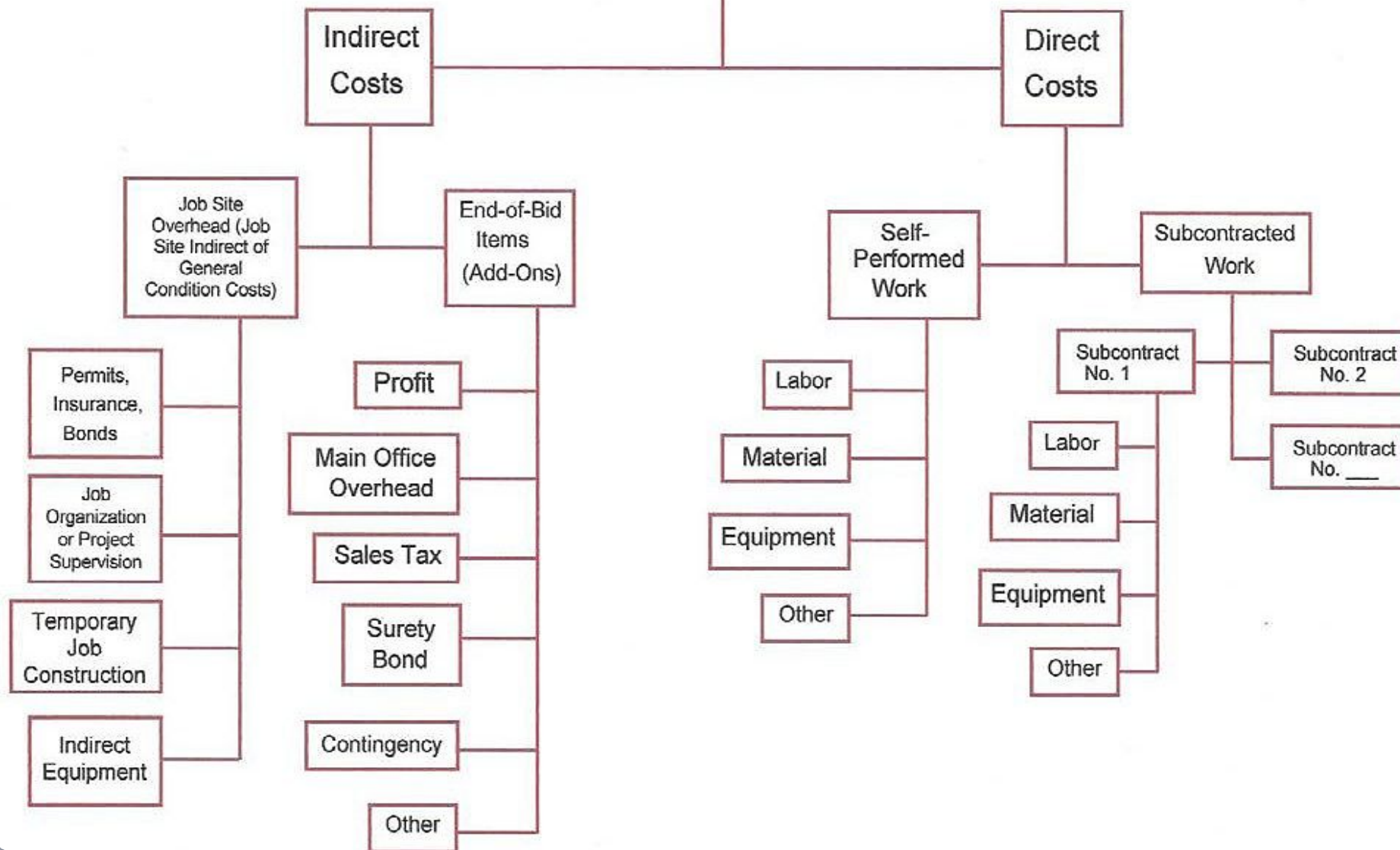


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TO
SUCCESS**

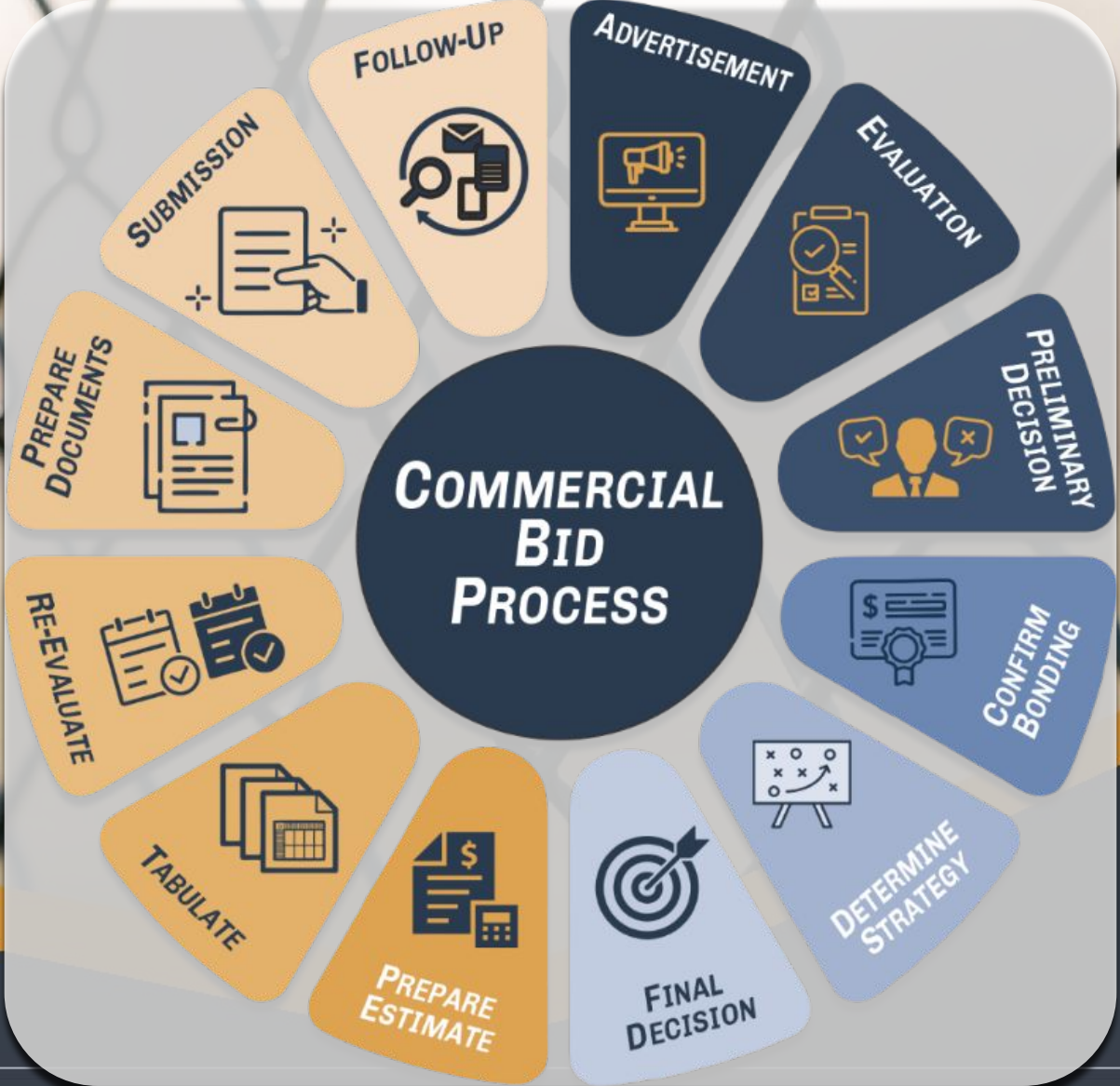


**Commercial
Bidding &
Contracting**

The Estimate



Commercial Bid Process



A close-up, slightly blurred background of a chain-link fence. The fence is made of dark metal links. The overall color palette is warm, with a gradient from light beige to a darker tan. At the bottom of the image, there is a decorative orange and dark blue wavy border.

FENCELINE TO SUCCESS



QUESTIONS