

The Kingston & Area 

H O M E B U S I N E S S
A · S · S · O · C · I · A · T · I · O · N

Volume 14 Issue 7 "PROFIT THROUGH SUPPORT" January 2006

N E W S L E T T E R

Business Idea - Dog Walking Service



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What Is KAHBA?

The **Kingston & Area Home Business Association (KAHBA)** is a group of home-based entrepreneurs, both full-time and part-time, offering experience, education, information, and support to each other. Initial membership to the KAHBA costs \$55.00 for the year, renewal is \$45.00. For more information, please contact the Membership Director, David Kempson, at 544-2178 or email him at: davek@cybersolutions.net.

Here's The KAHBA Executive

The KAHBA executive is as follows:

President - Paul Grass Vice-president - Rej Bruneau
Secretary - Stephanie Stone Treasurer - Heather Simpson Membership - David Kempson
Publicity - (Anne Jennings/Maggie McLaren) Newsletter - Fred Georgeadis Guest Director - Don Gale

Your Next KAHBA Meeting

your next KAHBA meetings will be at 8:00 am, on Saturday, 14 Jan 2006 at the Crossroads Restaurant, Frontenac Mall, Remember, meetings are generally held on the second Saturday of each month.

Mailing & Drop-off Address

The Kingston & Area Home Business Association Mailing & Drop-off address is:

KAHBA
19 MacPherson Avenue, Unit #36
Kingston, ON K7M 6W4

Web Site Address

KAHBA's WEB SITE is at the following address:

www.kingstonhomebiz.ca

Guests and New Membership Welcomed

Membership to the KAHBA is always welcomed. Please take the time to bring a friend who is considering, or has a home based business. Please provide David Kempson with any updated information about you or your business. Of course, new members are always welcome.

Evening Networking Meetings

KAHBA also holds evening Networking mixers so as to give everyone an opportunity to gather without the formality of a meeting. Our next evening meeting is scheduled for the last Mon. in Jan 2006 (30 Jun), again at the Crossroads Restaurant.

We hope to see you there.

From The President's Chair

For January 2006,

From Paul Grass - *KAHBA President*

The year 2005 passed before us as a "Whirl Wind"! Christmas and New Years has come and gone and with them the good times we spent with friends and relatives eating and drinking and making merry, as Bob Cratchet said. As we turn from these fond memories and look to 2006 we face a new year of more of the same for some people and an opportunity for others to expand and change for the good.

I for one, have already made contact with a company that I can partner with and look forward to doing some reciprocating business with.

We also face a controversial election this January and difficult decisions will have to be made by all of us all regarding our future. It is only one of many decisions we will have to make this coming year and I hope that they all turn out the way you want them to.

The year 2006 promises to be another interesting year for KAHBA members. We will have great opportunities to network and attend great meetings. You KAHBA'ers are encouraged to bring new potential members as guests and introduce them to your fellow members; just let them see for them selves what a great group of people we have willing to help them increase their business and the number of networking opportunities with new people.

I look forward to seeing you and your guests at our next meeting on January 14th *at 08:00 AM at the Crossroads Restaurant.*

Best Wishes for the New Year, 2006
Paul Grass President of KAHBA

Your President;
Paul E. Grass
Digital & Analogue Telephone Services
Page Me at 540-6288
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www.dats.ca



How to Find A Good Accountant

Business Management Tip - From [Susan Ward](#)

Accountants Do A Lot More Than Taxes

The services of a good accountant can be invaluable to your small business. He or she will help you navigate the maze of tax laws and provide the financial advice you need to manage and grow your business.

While we tend to associate accountants with taxes, keeping you abreast of tax changes and doing your taxes are not the only services a good accountant provides.

Whether you're wondering whether or not to incorporate your business or trying to decide if you should buy or lease a company vehicle, a good accountant will be able to tell you how such a move would affect your taxes and/or your business's growth. If you don't have an accountant working for your business, you need one! But how do you go about finding a good accountant?

1) Ask other business people about their accountants.

Find out who they use and how satisfied they are with the services their accountant provides.

If you don't or can't get any worthy referrals using this method, use the phone book and choose several accounting firms. When you call, tell the receptionist what you do and ask for the name(s) of accountants familiar with your type of business. Use this information to create a shortlist of prospective accountants.

2) Call the four or five accountants you've selected and ask to discuss their services.

Ask him or her about his education (such as whether he's a CA or [CGA](#)), about his experience with your industry, and about his fees.

Use this first contact information to choose two

or three accountants to interview.

3) Prepare a short list of questions you want to ask prospective accountants.

It's important that you choose an accountant that is familiar with the special requirements of your business and/or your tax situation, so you can use these to vet potential accountants. For example:

- If your business is Internet related, you'll want to find out if the accountant is familiar with the language of e-commerce.
- If your business involves periods of work in the U.S., you need an accountant that's knowledgeable about the IRS and has experience completing U.S. tax forms.
- If you're thinking about exporting, ask how the accountant might help you develop an export strategy.

I always ask a question about their phone call and/or email policy. It's important that your accountant is easy to contact when you have a question. How accessible is he or she and how do they bill phone call or email advice?

4) Meet with the prospective accountant(s) you've chosen, and ask your questions.

There's nothing like a face-to-face meeting for gauging how well you might work with another person. Besides assessing the accountant's knowledge, see how comfortable you are with him or her and how well the two of you communicate with each other. When you choose an accountant for your business, you're going to be establishing a long term relationship, so feeling comfortable with him or her is important.

After all, an accountant isn't just a tax preparer; he or she can help you build a blueprint for the future of your business.

Calculating The Home Business Tax Deduction

From - *Small Business: Canada.*

If you run a home business, you'll want to be sure you deduct all the relevant home business expenses on your income tax.

However, although there are income tax deductions that are specific to home businesses, not all home businesses will qualify for these tax deductions. The CRA (Canada Revenue Agency) has stringent conditions that determine whether or not a home business owner can claim business-use-of-home expenses on line 9945 of the T1 tax form.

Who can claim the home business tax deduction
You can only claim business-use-of-home expenses if your home is your principal place of business, or you use the work space in your home only to earn your business income and use it regularly to meet with clients, customers or patients. So you can't claim business-use-of-home expenses if you are conducting business somewhere else as well, or because you sometimes work on business matters at home.

How to claim the home business tax deduction
If you meet the CRA requirements, you're ready to calculate your business-use-of-home expenses. Because you're doing business where you live, your expenses will be a percentage of your home expenses. It's easiest to calculate if you have a specific room set aside for business purposes, such as a home office. Then it's a simple matter to take the area of your work space and divide it by the total area of your house.

For instance, suppose you have a home office that is 10 by 10 feet in a house that's 1800 square feet. Then your calculation of allowable portion of business-use-of-home expenses would be: $100 \text{ divided by } 1800 = 5\%$.

The next step in calculating the home business tax deduction is to apply this percentage to your allowable household expenses. You can deduct a portion of all your house expenses that directly relate to operating your business, such as your utilities, telephone, and cleaning materials. If you own your home, you can claim a portion of your house insurance, property taxes, and mortgage interest (although you can't claim the mortgage payments themselves.) If you rent your residence, you can claim a portion of the rent you pay.

In the example I've just given, let's say that I own my own home, and all the expenses I've just listed total \$6800 for the fiscal year. Then 5% (my allowable portion of business-use-of-home expenses) of \$6800 (my total home expenses) is \$377.78, which is my total business-use-of-home expenses claim on line 9945 of the T1 tax form.

If you operate a part-time business out of your home, you have to adjust your business-use-of-home expenses accordingly. For instance, suppose you use part of your home to run a consulting business five days a week. To figure out your business-use-of-home expenses, you would calculate how many hours in the day you use the work space in your home for business purposes, divide that amount by 24 hours, and then multiply the result by the business portion of your total home expenses. Using the same example used above, and operating the business from 9 a.m. until 5 p.m. five days a week, (7 hours a day), $7/24 \text{ hours} \times 100/1800 \text{ square feet} \times \$6800 \text{ home expenses} = \99.17 .

(continues on Pg. 11)

Welcome - New KAHBA Members

KAHBA would like to welcome Shannon Pester. Her business is **Pet Parade Plus**, a Dog Walking and House sitting Service. When your dynamic dog wants a romp in the fields, or your favourite feline needs a warm friendly fuss .. Just call Pet Parade Plus!



Shannon Pester joined the KAHBA Assn. after she met a few of us at our Annual KAHBA sponsored Small Business Community Showcase. Shannon has been caring for pets in the Kingston area for over 5 years. She truly understands the love these creatures give to the humans in their lives. Her number one priority is always the safety and well-being of these furry (feathery or fishy) family members.

Call: at 634-6027 or Cell 329-0121

www.petparadeplus.com



Loyalist Collection Services Inc.

Professional Debt Recovery Specialists

KAHBA would like to welcome David Walker. His business is **Loyalist Collections Services Inc.** - a full service, government licensed, insured and bonded professional collection agency offering a complete range of credit and collection services to enable our clients to realize improved cash flow and reduced expenses. This quickly translates into

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* Proposal Management Credit Counselling Management

Contact David at: (613) 547-8222 Fax: (613) 968-8080

Email: loyalist@bellnet.ca Website: www.loyalistcollections.com

(continues from Pg.9 Chain Of Mistakes)

- unusual or rapidly changing data about operations or customers;
- results off-plan;
- results on-plan—but only through luck;
- constant revision of plan/budget;
- failures of control systems;
- need to re-train significant numbers of personnel because they are not performing;
- frequent operational problems that are not addressed by standard procedures;
- problems caused by communications issues;
- problems where help was available but not used.

When you do see warning signs, you'll find several ways to stop a mistake sequence.

- Adopt a customer-focused operating culture, from top to bottom. Everyone knows the customer, everyone improves quality, everyone markets and sells.
- Delineate responsibilities, standard operating procedures, and metrics. Paramount to avoiding mistakes is knowing who has primary responsibility for each important task and objective.
- Implement training, simulation, and devised safety. Do not move safety limits to accommodate your clients, as Enron's, WorldCom's, and HealthSouth's auditors did. Imagine disastrous scenarios, and ask your employees, "What would you do if...?".
- Believe your indications, never ignore customer data, and communicate.

(continues on Pg.8)

Heather Simpson
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fgeorgea@cogeco.ca

(continues from Pg.7 Chain Of Mistakes)

- Instead of trying to explain bad news, try to understand why something is happening as indicated. Act on your indications even if you don't like them. In particular, listen to customer data—because by the time it reaches your desk, the problem will have been going on for a while.
- “Fly the airplane.” Focus on the primary mission, and don't be distracted by non-critical problems.
- STOP is your last line of defense. Train your employees to understand that they have a responsibility to exercise this option when the situation warrants it.

(end)

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Breaking Chain Of Mistakes Prevents Business Disasters

By Robert E. Mittelstaedt, Jr.

Almost every business disaster is the result of not one mistake, but a succession of mistakes. At many points along the road to ruin, that chain could have been broken and the situation corrected—if only people had seen and believed the evidence that sat in front of their noses.

The great fault lies not in making mistakes, but in repeating them, and not learning to catch them early. Organizations are like individual people. They make the same mistakes over and over, unless they do something definitive to try to stop. They are shortsighted. They don't always learn from their own mistakes, or from others'. They also don't always learn from their successes. They often neglect to ask, "What did we do right?"

Anyone in a management or executive position needs to learn how to recognize the patterns of mistakes that precede most business disasters, and to reduce a mistake (or above all, a series of mistakes) to something that does not require full-scale crisis management.

How do we break the mistake sequence, or prevent it before it starts? You'll generally find two forms of opportunity for early intervention. The first is a matter of heeding early warnings of specific danger, and detecting patterns in operations.

- Other ships had warned the Captain of the Titanic that his proposed route was full of icebergs.
- A 1990 study had shown the potential for damage to the heat shield of the space shuttle Columbia.
- Consumers were quick to complain about the flawed chip in Intel's Pentium

processor.

- Ford was aware of early failures of Firestone tires on its Explorer vehicles in Saudi Arabia and Venezuela.

In each of those cases, the people at the top knew that something was wrong, and simply pooh-poohed it—or didn't attend to the problem until it had gotten out of hand. Ignoring early warnings allowed the mistake to slow or reverse the "business flywheel."

The second way to intervene is to quickly detect and halt dangerous patterns of action in operations and strategy.

- Several top executives were aware that Enron was highly leveraged and was involved in far too many high-risk deal structures.
- Kodak knew that digital technology was coming in, and that other companies were developing it, but Kodak continued to focus on chemical-based technologies, giving their competition a head-start in digital.
- Webvan made a series of ill-founded and ill-tested assumptions about its on-line grocery-shopping system.

The problem with a warning is that it is not always clear that it is a warning at all, or that the source of the information was reliable. How to detect and react to warnings? Here are situations that should raise red flags and warrant further analysis:

- credible customer complaints that "your product isn't working";
- situations you have not seen before;
- operating experience different from that of your competitors;

(continues on Pg. 7)

How To Start Your Business With One Good Idea

Make 2006 Your Best Year Ever!

by Kelly Robertson

Another year is upon us and if you are like most people you have hit the floor running without planning a clear objective for the upcoming year. However, top performing sales people make the time to establish clear targets. Setting goals is not a complicated process nor does it take a lot of time. Use the techniques outlined in this article to help you achieve your targets.

Ensure each of your goals follows the SMART concept: Specific, Motivational, Action-oriented, Relevant to your situation, and Time-bound. For example, "I will increase my sales by 15% compared to last year." Be as specific about your goal as possible. "I will start my own catering business" is a lot stronger than "I want to go into business for myself." Challenging goals are motivating. Set goals that will push beyond what you usually think you can accomplish. Remember to set a deadline. A goal without a deadline is simply a dream. Attach a realistic yet challenging deadline for accomplishment and post this where you can review it regularly.

Phrase your goal in the present tense and assume success. Don't say, "I want to." Say, "I will." This subtle technique tells your subconscious that you have already achieved your goal which means it will go work at helping the goal become a reality. It will attract the people, places, and situations you need to achieve that goal.

Put them in writing. This simple act helps you clarify your goals and will allow you to visualize them more effectively. I recommend that you record each goal on a separate index card and review them twice a day - once in the morning (when you first wake up) and again before you go to bed. This process reinforces your goals, acts

as a reminder and drives your goals deep into your subconscious. In fact, this is one of the most powerful strategies you can use to achieve your targets.

List the benefits you intend to receive by achieving each goal. This will keep you focused and strong particularly when you face the inevitable roadblocks and barriers. Years ago, when I chose to quit smoking, I listed 75 benefits and when I felt the urge for a cigarette I would review this list to help me get past that craving. The more benefits you can list for your goals, the more motivating those goals will become.

As you review your goals each morning and evening, picture yourself achieving each of them. The more you can "see" success in your mind's eye, the more likely you can translate this into reality. Create a perfect picture in your mind and replay it frequently. Developing a picture board can help with this. This is a very effective tool that allows you to see the visual impact of achieving your goals. When my wife and I bought our first house we clipped photographs and pictures of what we wanted our house to have and pasted them on to a large sheet of poster board. We hung this near the front door of our apartment so we could see it every time we left or entered the apartment. We also created a thermometer of "down-payment savings" to help us track our progress. We had a clear deadline and were able to surpass this deadline by almost 30 days. I now keep track of my annual revenues, speaking engagements and book sales in the same manner. I post these sheets on my office wall where I can see them everyday and they allow me to track my progress with a quick glance.

Anticipate the challenges you will encounter and

(Continues on Pg. 11)

(...from Pg. 10)

plan how you will overcome them. This will prepare you for them and help you overcome the obstacles easier and with less stress. In fact, the simple act of planning for obstacles will often prevent many of them from occurring.

Surround yourself with successful, motivated people who also set challenging goals. I share my goals with several friends and associates. When we get together, we motivate each other by talking about our success, our challenges, and our goals. A word of caution: Be careful who you share your goals with. People who are not goal-oriented will not support you, and in many cases, will actually try to dissuade you from your goals.

Use affirmations. If you plan to quit smoking repeat statement such as, "I enjoy the lifestyle of a non-smoker," "I'm glad I'm a non-smoker," "I enjoy the taste of food more as a non-smoker." Stating affirmations aloud reinforces your goal to your mind and will help you achieve your goal much faster.

Take action. Don't procrastinate. All the planning in the world will not help you achieve your goals. You MUST take action. Once you have determined a goal for yourself, take action within 24 hours. This will set the wheels in motion and create the necessary momentum you need. I once heard a speaker state, "We are either moving toward or away from our goals." Develop the habit of taking action on a daily basis.

Achieving greatness and a higher level of success is not that difficult. However, it does require discipline, focus and a clear idea of what you want to accomplish. Follow these steps and have your best year ever!

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(continues from Pg.5)

Home Business Tax Deduction)

However, in the example, the business is only operated 5 days a week, so I would then reduce the claim accordingly: $\$99.17 \times 5/7 = \70.84 . You can't deduct an expense from an income you don't have. In other words, you can't use the business-use-of-home expenses to create a business loss, so your deduction can't be more than your net income before you deduct these expenses. If it's more, you can carry the amount of these expenses forward into the next year. It may not seem like a lot, but when it comes to income tax, every deduction helps. If you run a home business and meet the CRA's definition of business-use-of-home, you'll want to be sure you claim the home business tax deduction on your income tax.

Quote of the Month

You cannot bring prosperity by discouraging thrift.

You cannot strengthen the weak by weakening the strong.

You cannot help the wage earner by pulling down the wage payer.

You cannot further the brotherhood of man by encouraging class hatred.

You cannot keep out of trouble by spending more than you earn.

You cannot build character and courage by taking away man's initiative and independence.

You cannot help men permanently by doing what they could and should do for themselves."

Abraham Lincoln

Does Your Virus Software Really Work?

by [Leo A. Notenboom](#)

I've been told I have the (fill in the blank) virus, but my anti-virus program doesn't remove it. What do I do?

I get variations of this question a lot. Someone has somehow correctly determined that they have a virus, either by its symptoms or by some other means, and yet the anti-virus program that they're running fails to detect the virus, or perhaps detects it, but fails to repair it.

It's a race, folks, and sometimes the anti virus packages aren't in the lead.

The fact is new viruses are being discovered every single day. Anti virus (AV) programs are constantly having to update the list of viruses that they know to look for. The AV software firms are always racing to catch up with the new discoveries. Each time a new virus is found, they update their information, typically called "signatures" or "virus definitions database" which then must be downloaded by users of their software.

That's you, by the way. And that's why I, and many others, constantly harp on the fact that you must be running up to date virus software. And that means both the latest version of the AV program as well as the virus definitions. You need to be regularly downloading the new virus definitions to stay up-to-date and protected against all the new viruses found every day.

How often is "regularly downloading"? I download every night. I wouldn't feel safe going much longer than a week without getting the latest for my anti-

virus software.

It doesn't have to be a burden. In fact, all I've done is configured my anti-virus software to automatically download new virus definitions in the middle of the night, when no one is using the computer. It just happens, it just works, and I rarely have to think about it.

Now, all that having been said ... unfortunately AV programs aren't perfect. In fact it's turning out to be not uncommon for one AV program to catch infections that another will miss. It shouldn't be that way, and quite frankly I'm not sure why it is that way, but it's reality. That's why, when you know you have a virus and your (up-to-date!) AV software doesn't catch it, I recommend running another package. Many AV software vendors have free trials, or free on-line demos, that server wonderfully as a second-line check. I've listed a few in [my recommendations pages](#).

Finally, occasionally a virus will be detected by an AV program, but cannot be removed by it. Certainly the first thing to try again is another AV program. However sometimes there are technical reasons why removing a virus takes additional work. In such cases you should visit the web site of your AV software publisher and search for specific instructions, or occasionally a downloadable tool, to remove that specific virus. Most of the major AV software publishers provide this service.

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Leo A. Notenboom is a software engineer and entrepreneur who worked for Microsoft for many years, either developing some of the company's best known software or managing other engineers who did. When he left he started his own software engineering company and consulting firm, Pudget Sound Software. In addition to the services offered through <http://pugetsoundsoftware.com>, Leo runs the popular Ask Leo! technical support site (<http://www.ask-leo.com>). Leo can be reached at leo@pugetsoundsoftware.com.

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