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NEW BUSINESS MINNESOTA



Special Report

Resource Heroes

New Entrepreneurs Often Need the Resources of Key Business Professionals to Succeed. New Business Minnesota Brings You Stories About **Resource Heroes** You Should Know and How They Helped Clients Reach Their Goals: Vickie Bjork, CPA, Haworth & Company, Ltd., CPAs and Business Advisors; and Sarah Barton, Better Business Bureau of Minnesota and North Dakota.

Photography by Paula Keller

Resource Heroes

Nobody
Succeeds in Business
Alone, Especially Not New
Businesses. They Often Rely on
Professionals with Specific Skills or
Services They Need to Launch and
Grow Their Enterprises. They Turn
to Their **Resource Heroes:**
Business Professionals Who Have
Made a Significant Difference In
the Success of Their Clients.
Here We Present Two Such
Examples.

Photos by Paula Keller

RESOURCE HERO



Julene Lind, owner of Nicollet ACE Hardware (Center) surrounded by her team from Haworth & Company: Vickie Bjork, team CPA; Lisa Jorgenson, staff accountant; Gary Haworth, CPA and firm founder; and Nikki Jorgenson, payroll services.

Haworth & Company, Ltd. CPAs and Business Advisors

Helping a Small Business Owner Manage Her Hardware Store Through Challenging Times

New Business Minnesota

Julene Lind hadn't intended to change accountants. Her business – Nicollet ACE Hardware – had been successful since the day she bought it in 1986. All seemed well until she applied for a home mortgage from her bank.

Over the years, her “trusted” accountant had seriously mishandled certain revenue classifications and now the bank feared the mess could bring an IRS audit unless corrected. The strong business relationship she thought she had with her accountant turned out to be a weak one.

Julene had no idea the problem had been going on for years. “It’s important to know your strengths and weaknesses,” she says. “I was always on the sales floor working with customers. That’s where I work best.” She had no accounting background and relied on the accountant so she could focus on the business.

The bank approved the loan with the condition that she change accountants and take immediate steps to clear up the irregularities. It was an easy decision to change. The only reason she had been using her accountant was because he had been doing the books when she bought the company.

A referral led Julene to Gary Haworth of Haworth & Company, Ltd., CPAs and Business Advisors. Gary explained the company philosophy and team management approach they practiced.

“I have the right person doing the right task at the correct price for the client,” Gary says. “Our model is that everyone gets the personal attention and personal service of a small firm. We’re designed for the small business community.”

The team he assigned to Nicollet Ace Hardware was led by Vickie Bjork, CPA, for accounting and business advisory services; Lisa Jorgenson, as the staff accountant who handles the bookkeeping and accounting support; and Nikki Jorgenson, as the payroll specialist who handles the payroll services.

Over the years, Julene and her team have developed a lasting professional relationship that has helped her survive a number of challenges that threatened her business.

It all began with the first strategy session when Vickie met with Julene to identify needs that had to be addressed right away. Then they discussed what information and feedback that Julene needed to run her business.

“It’s important that the books and reports are set up to supply the in-

Haworth & Company Ltd. *Continued from Previous Page*

formation an owner relies on,” says Vickie. “It could be the performance of major sales categories, expenses they want to track or anything that they want to see reflected on their financial statements.”

Julene warned Vickie about the problem with the past accountant’s irregularities but couldn’t explain what they were. “Vickie had to figure that out so we could move forward,” says Julene.

As Vickie was reviewing the books and processes, she realized that the old accountant had been doing the books by hand with the sole goal of preparing the tax return.

It was a big red flag for Vickie. Aside from looking at daily sales and expense prepared by her staff, Julene had not been provided with regular financials and really didn’t know how the business was doing until taxes were done at the end of the year.

The first task was to provide monthly financial statements, get QuickBooks set up properly in addition to the ACE Hardware sales system and bring it together into Haworth’s professional accounting system that can create customized reports of any kind.

Vickie said that the goal was to establish comparative financial statements – current year and month, prior year and year-to-date as well as standard financial statements, a graph to track revenue for two-year periods to reveal trends, prior-year trends as well as 12-month rolling bar graphs for revenue and expenses.

It took six months to get that foundation built. “To get that relationship going, it took time to learn about her business, what they need, when they need it. We have to get to know each other,” says Vickie.

Part of getting to know the business is understanding the owner’s personal and family needs as well. That involves planning for retirement, college, health care, etc. “The family’s needs will change over time,” says Vickie, “And we have to stay on top of that, too. It’s not just the business we look at, it’s the whole picture.”

Gary adds that while having the good numbers and reports is important, providing sound advice and guidance is equally so.

“Small business owners are often isolated in their decision making process. Too many turn to spouses or friends as sounding boards,” Gary says. “The down side is the entrepreneur may not want to share all the information needed to reach a good decision. Oh, and friends and spouses might be a little biased.”

He says his team approach ensures that his clients are able to have a business advisor who knows the intricacies of their situation from a personal and professional level. That makes for an informed sounding board.

The Haworth model encourages frequent communication by removing hourly billing from the equation. “An all-inclusive, monthly fee allows an owner to get the most out of their advisor. It allows them to ask for help and avoid problems and encourages time to review reports or other challenges,” says Gary.

That approach is exactly what led Vickie to join the firm. Numbers are in her blood. Her mother and sister are CPAs and her father was a math teacher. Her mother had an income tax practice at home, where she met with clients over coffee, talked and discussed their needs. There was a relationship that was more than just business.

“That’s what I wanted,” says Vickie. “That’s what accounting was to me: working with people, helping them out, getting to know them and their business.” After being contacted by a recruiter, she jumped at the chance to join Haworth. That was back in 1997.

It’s not just Vickie, but her whole team that learns the client’s business. “We have to know if something is missing or out of balance. And if we need additional opinions, we have four offices in the Twin Cities

where we can reach out to 12 other CPAs.”

Managing Challenges

Where a good business relationship demonstrates value most is in managing challenges.

With accurate accounting and useful reports from Vickie, Julene managed her way through the economic downturn in 2010, reducing her expenses as much as she could. Bullet dodged.

Then all hell broke loose when the City of Minneapolis decided to reconstruct Nicollet Ave. outside her front door. One year would shut down Nicollet North of 38th St. and then South of 38th the following year.

It was a nightmare scenario promising significant business disruption, loss of their parking lot and on-street parking and blocked access on a major thoroughfare and two years of reduced sales with increasing property taxes.

With a 10-month advanced warning, Julene got Vickie involved in her plan to weather the storm. Cutting to the bone got the business through the depths of the recession, but there was little left to cut. Taking on the loss of parking problem, Julene arranged to sublet parking spaces from a church behind the store.

Julene says she considered every option from layoffs to increasing her hours to 60 a week. Ultimately, she decided to sell her home and move into the apartment above the store. “I wanted to eliminate a house payment, get cash from the sale and have a place to live if the worst happened. We were ready when the road construction started,” Julene says.

“It was great to have Vickie to talk to,” says Julene. “I needed to make sure my ideas weren’t crazy. She is a great sounding board.”

The planning paid off and the ill effects of the construction had been minimized. In 2014, Julene is having one of her best years ever.

She credits Vickie and her team for helping with planning over the years: how to create a bonus or profit sharing structure to retain top employees, understanding the impact of the Affordable Care Act, creating annual initiatives to improve things like inventory, etc.

And finally, how to set up the sale of the business to her son and her store manager.

“Working with Vickie has been a delight,” says Julene. “I have had a great relationship with her. Vickie had to learn my business from the bottom to the top, from inventory to what our margins should be. That was only possible because she is a great listener.

“Every month, firms call and want my accounting business. I wouldn’t change for anything. And as I sell the business to my son and my manager, I’ll make them use her, too.”

NBM

Gary Haworth, CPA is owner/president of Haworth & Company Ltd., CPAs and Business Advisors he founded in 1989. Vickie Bjork, CPA, is a team leader with the firm. Haworth & Company provides accounting, bookkeeping, tax preparation, business advisory and payroll services to small businesses. Offices are in Edina, West St Paul, Coon Rapids and Rochester. Gary can be reached at (651) 451-9373 or ghaworth@haworthco.com. Vickie can be reached at (952) 820-8228 or vbjork@haworthco.com

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RESOURCE HERO



Jeff Matt, founder of Victory Auto Services (center) surrounded by the team from the Better Business Bureau of Minnesota and North Dakota: Sarah Barton, Director of Operations and Services; Ethel Cox, Michael Neuerburg and Erin Kickhofel.

Better Business Bureau of Minnesota and North Dakota

Helping an Auto Repair Company Build Its Reputation for Integrity and Trusted Service

New Business Minnesota

One of the greatest challenges facing any business – new or established – is building a solid reputation that helps build trust with prospects and loyalty among those who already do business with you.

When Jeff Matt started Victory Auto Service & Glass in Brooklyn Park in 1997, he took a huge risk. He had young kids, an understanding wife, and the idea that he could work for himself rather than for a dealer or other auto service company.

He saw a friend start his own service shop and realized he could do it, too. He did his research, built a budget, quit his good paying job and made the leap.

The hard work and risk-taking paid off. Jeff opened a second Victory Auto Service shop in 2002, and he has grown his business to five locations and 35 employees.

Jeff built his business on honesty, dependability and service. He knows that consumers often hear businesses throwing those words around like candy.

“I wanted to demonstrate to my customers and potential customers that my values were not just empty words,” Jeff says.

So in 2008, he joined Better Business Bureau of Minnesota and North Dakota. Initially, he wanted to become an “Accredited Business”

so he could use the BBB logo in his Yellow Pages ad. But he quickly found that the BBB seal was even more valuable online and offered other tools as well.

“The BBB logo is so important today because we are a trust-based business and consumers have more options for deciding where to take their cars,” he says.

Sarah Barton, Director of Operations and Accredited Business Services for Better Business Bureau, says there are 6,500 Accredited Businesses in Minnesota and North Dakota. Accredited Businesses include a variety of industries, professions, and company sizes. Businesses that are part of BBB aren’t called members because they can’t just join, they must meet BBB’s standards of accreditation prior to approval.

The BBB database holds in excess of 265,000 local businesses, which includes accredited and non-accredited businesses. This local data is shared and connected to a larger database, in which consumers can access information from all 112 BBBs across the U.S. and Canada right at their fingertips – for free! This massive collection of information is why it is one of the most searched websites around.

Although companies can’t apply for accreditation until after their first year in business, Sarah urges new businesses to register as soon as they can at BBB’s website and complete their free Business Review.

“The day you start your business is the day you should contact us and complete our Standard Business Questionnaire online,” she says.

Better Business Bureau *Continued from Previous Page*

“This lets you start building your reputation on the firstBBB.org site and helps thousands of potential customers find and learn more about your company. After you’ve been in business for one year, you are eligible to apply for BBB Accreditation.”

In the last year alone, their local website, thefirstbbb.org, had more than six million views. Being listed on BBB’s website gives people a chance to evaluate a business, check its rating and see if there are complaints, and if so, how they were resolved.

Now you can read and submit customer reviews as well.

“Accreditation with BBB is an endorsement that you are striving to do business with integrity,” says Jeff. “It is so easy for people to be taken advantage of when they need repair work. Having BBB Accreditation helps us establish trust upfront.”

To be accredited, a business must agree to abide by BBB’s standards of accreditation. Other criteria include: agreeing to advertise honestly, making a good faith effort to resolve consumer complaints and being transparent. Businesses that apply are thoroughly vetted and must maintain at least a B rating, have no government action taken against them, be free from advertising review concerns, be properly licensed and have no unanswered or unresolved complaints.

“If a company is no longer meeting those standards, their accreditation is suspended and BBB’s Board of Directors will then vote on whether or not to revoke their Accredited Business status,” says Sarah. “It’s as important for us to maintain trust with consumers as it is for our Accredited Businesses.”

Each new Accredited Business is assigned a dedicated coach, says Sarah, who has known Victory Auto Services since 2008 and oversees the BBB team that works with them.

Erin Kickhofel is Victory Auto’s Accredited Business Coach, the point person who handles questions and proactively checks in on them from time to time. The rest of the team includes Michael Neuerburg, Ethel Cox and Elizabeth Rose.

The team concept makes sure that Victory Auto Service and other Accredited Businesses get the personalized services, attention and help they need to get the most out of their accreditation.

Erin says that after a business is assigned to her, she makes the initial contact to explain the benefits, and works with them to enhance their BBB Business Review.

She then checks in with them throughout the year to answer any questions, assist with any problems and discuss their strategies for marketing the company with BBB.

“They aren’t always aware of all the benefits available,” says Erin. She walks them through the basics, such as logging in to update their BBB Business Review, informing them about upcoming events, making sure they’ve installed the BBB Dynamic Seal – and also that it works on their website – and providing guidance for uploading videos and photos.

“They are often surprised that there is a QR code for their company that can be scanned with a smartphone,” says Erin, who also explains how to use the inquiry stats on who is checking out their BBB Business Review.

“I really like it when they get super excited about what Better Business Bureau can do for them,” says Erin.

Once a business becomes accredited, they are given the BBB Dynamic Seal, which is an interactive logo that clicks through to the company’s Business Review at BBB’s website. It’s a direct connection to their report – which includes complaint history and customer reviews for the last three years, the company’s BBB rating, as well as photos and videos about their business.

“The two-way, live link really helps to improve their Search Engine Optimization (SEO) because we have high domain ranking, as well as trust and credibility with Google and other major search engines;

it counts as a trusted link so they rank higher in search results,” says Sarah.

“Putting the BBB Dynamic Seal on their website helps our Accredited Businesses see the biggest return on their investment,” she adds.

Businesses can build a robust Business Review page, share pictures of their team, show their logo and pictures of their operations, and showcase their rating as an Accredited Business. Because BBB is a third-party site, it builds additional trust among potential customers.

Consumers aren’t the only ones turning to the BBB to research a business. The 8,000-plus visits specifically for BBB Business Reviews on their website each day include businesses trying to learn more about other businesses, as well as prospective employees checking out potential employers.

Better Business Bureau started in Minnesota in 1912, which is why the web address is thefirstBBB.org. Despite the long history here, Sarah says that some people still think it’s part of the government (it’s not) or that it is merely a complaint warehouse (it’s not).

“We are a neutral organization that is funded by our Accredited Businesses,” she says.

Since joining BBB, Jeff has gone on to sponsor and participate in BBB luncheons, education and networking programs. He’s even served as a presenter for a BBB Ethics Summit at the University of St. Thomas in downtown Minneapolis.

He’s also sent his staff to BBB events, especially his Business Development Manager, who does a lot of networking. These events, such as BBB Focus Luncheons, feature a variety of experts who discuss topics such as social media, human resource issues, legal questions, tax tips, sales training, and Human Resources policy.

Every time someone checks out Victory Auto Services’ profile at BBB’s website, Jeff gets an email alert. “I got one yesterday and sometimes I get multiple ones. That means potential customers know I’m in good standing and have a good rating.”

In 2010, Jeff’s company was named winner of the BBB Integrity Award, now called the Torch Award for Ethics. He was on a beach in Cancun when the awards were handed out, so he sent his staff to the ceremony.

“It was more fun that my team accepted the award. They really had ownership and they deserved to be part of it,” says Jeff. “They had huge smiles on their faces and shared the photos of the awards with me via text.”

“My advice to anyone starting a business would be to get accredited as soon as you can,” says Jeff. “You’ll be at a distinct disadvantage if your competitors are with BBB and you aren’t.”

“As long as I’m in business, I will be accredited with Better Business Bureau. It’s that important.”

NBM

Sarah Barton is the Director of Operations and Accredited Business Services for Better Business Bureau of Minnesota and North Dakota, a non-profit organization with a vision of building an ethical marketplace where buyers and sellers can trust each other. For more information, visit bbb.org or contact BBB at 651-699-1111 or at ask@thefirstbbb.org.

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