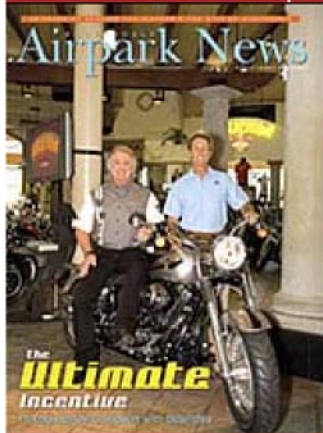


Airpark News

15855 N. Greenway- Hayden Loop, Suite 100 • Scottsdale, AZ 85260
Phone: (480) 991-9057 • Fax: (480) 991-9630



- Articles
- Business News
- Columnists
- Airpark Directory
- Classifieds
- Contact Us



Where can I get a copy?

Website Links

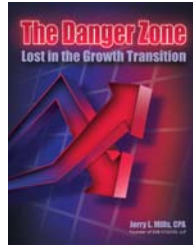
- ▶ [Entertainment Calendar](#)
- ▶ [Airpark Meetings & Events](#)
- ▶ [Publisher's Note](#)
- ▶ [2010 Report](#)
- ▶ [Classifieds](#)
- ▶ [The Scottsdale Police Department Newsletter](#)

Featured Articles

- ▶ ["Sorry, What's Your Name Again?"](#)
- ▶ **Dial Stays Scottsdale**
- ▶ [Lost in the Education System](#)
- ▶ [Building Careers In A Growing Industry](#)
- ▶ [The 3 R's](#)
- ▶ **Avoiding the Danger Zone**
- ▶ [Starting Young](#)
- ▶ [Education: An Airpark Business Resource](#)
- ▶ [Book as Business Card](#)
- ▶ **Cheerleader Makeover**
- ▶ [Let Recaptured Federal Dollars Drive the Local Economic Engine](#)
- ▶ **Tools for the Business World**
- ▶ [Home Business – Big Business](#)
- ▶ **Recipe for Success**
- ▶ [Scottsdale's New Arabian Looks Like a Winner](#)
- ▶ [Scottsdale School District Starts 111th School Year](#)
- ▶ [You are What You Read](#)
- ▶ **Public Safety Lockbox Program**
- ▶ [The Black Chair](#)
- ▶ **Riding the Road of Incentives**
- ▶ [The 'Art of Living' Is Big Business](#)
- ▶ [Planning for Successful](#)
- ▶ [Business Lifelines](#)

Scottsdale

Date:



Avoiding the Danger Zone

Date:

Author : Sarah Laidlaw

As is the case with many things, the middle is the largest segment in business with companies earning \$5 million to \$70 million in sales estimated to employ 75% of America. This size of company generally does not have the means or necessity to employ full time CFOs or CIOs, which generally cost at least \$200,000 annually. Jerry L. Mills has found a solution to this need, creating **B2B CFO/CIO LLP** in 1987 to provide part time CFOs and CIOs.

In its almost 20 years, B2B has become the largest CFO and CIO firm in the U.S. that services privately-held companies with sales up to \$60 million annually. B2B has a nationwide reach, currently working in 35 different cities. Combined, the partners work with some 500 clients, netting between \$2 billion and \$3 billion in annual sales. Mills attributes a collection of things to his firm's fast growing success, including longevity, associations and sponsorships by reputable multi-billion dollar companies, such as **ING**, **Manpower** and **ADP**, and his partners. Mills and his partners act as the consulting CFOs and CIOs for B2B's clients, and currently there are 60 partners working with the company. Mills says, "We recruit great candidates. Our partners average 25 years of experience."

Another key factor to B2B's success is their methodology, which Mills pioneered from his 30 years in the industry. He recently put his ideas to paper and wrote a book to help partners understand his methodologies. When he was nearly finished, he saw another benefit of his writing in that his book could actually help his clients and other businesses avoid the mistakes that cost them money. He scrapped the original book and rewrote it to speak to business owners as opposed to his partners, titling it *The Danger Zone – Lost in the Growth Transition*.

The "Danger Zone" refers to the situation the book is written to help companies avoid. Mills explains it as, "the point where a company's cash needs far exceeds its available cash." He says this must be avoided because it creates the need to make dire decisions, which usually include filing bankruptcy, selling the company or its assets, or seeking relatives or friends for large loans. Mills says, "My hope is business owners, especially our clients, are going to read my book and utilize the principles to never get to the 'Danger Zone.'" Still, there is a chapter of the book, titled "Escaping the Danger Zone," that provides help to companies that are already in trouble.

The 194-page hardcover book provides many detailed tools and tips, but one pertinent piece of information at this time of year is a description of what Mills calls "the fourth quarter panic" and strategies to avoid such a pitfall.

"The fourth quarter panic" is the negative situation companies often find themselves in during the fourth quarter because of its shortened work period and the number of expenses that occur during it. Mills explains, "Labor Day this year is Sept. 4, so starting Sept. 5 everyone is going back to work after vacations and being out of schools, etc. We have a real short period of time before Thanksgiving when winter vacations and holidays start, so we don't really have a full fourth quarter." In addition to the shortened work period for the quarter, expenses add up at the end of the year. Mills cites such necessities as buying assets to take advantage of taxable income and paying out bonuses and benefits. Beyond that estimated tax payments are due on Sept. 15 and profit sharing should start to be calculated during the quarter. Mills says, "Business have a lot of uses for cash during the fourth quarter and typically haven't planned for the cash outflow. The hope is to have positive cash at the end of the year."

The Danger Zone – Lost in the Growth Transition provides tips to help ensure positive cash come year's end. Some include working to develop a strong relationship and plan with a banker before the fourth quarter panic, and mapping out all cash outflows and inflows to make sure the business is not using cash it doesn't have. In general, Mills' book helps businesses understand how to plan ahead in their operations to eliminate the chances of a company ending up in the "Danger Zone."

Another aspect of the planning is organizing employees so everyone understands their roles and how it works with others. Mills describes in detail an informal organizational chart that separates a business into three categories Finders, Minders and Grinders. Finders are the visionaries and leaders who work to find new ideas to progress the company through the future; Minders handle the administrative work; and Grinders are the people actually doing the work, such as building the product or making the telemarketing calls. Each category of employees is completely necessary for the company to last, and Mills believes that when employees start overlapping their duties into more than one category, the company starts to slow its progress and move towards the "Danger Zone."

B2B works to help companies organize and plan, and Mills' book helps their clients understand methodologies to further ensure company success. For more information on B2B or *The Danger Zone - Lost in the Growth Transition*, visit www.b2bcfo.com.