

# INDA's Small Business Newsletter

Covering Issues That Affect You

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December 2008

## INDA SMALL BUSINESS E-REPORT

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**Welcome to the INDA Small Business e-Report.** This monthly e-publication provides INDA members with insight and advice on operating a successful small business in today's nonwovens industry.

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*In This Issue:*

**END-OF-THE-YEAR TAX TIPS FOR GROWING BUSINESSES**

**HELP YOUR BOTTOM LINE BY RETAINING HOURLY EMPLOYEES**

**IN CONSUMER PRODUCTS? THEN COME TO VISION 2009 IN NEW ORLEANS**

**INDA MEETINGS CALENDAR**

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## END-OF-THE-YEAR TAX TIPS FOR GROWING BUSINESSES

The 2008 calendar is about to be turned to 2009 (thank goodness), so it is a good time for any small business to make sure its tax house is in order. So here, from the [AllBusiness.com](http://AllBusiness.com) Finance & Accounting Center, are the Top 10 Tax Tips for Small and Growing Businesses

1. **Writing It Off: Deductions.** Businesses can deduct all "ordinary and necessary" business expenses from their revenues to reduce their taxable income. But don't overlook these potential deductions for business losses or trips that combine business and pleasure.
2. **Employee Taxes.** If a business has employees, a variety of taxes will have to be withheld from their salaries. Make sure you get it right.
3. **Quarterly Estimated.** This area trips up many an entrepreneur and is especially vexing for home-based businesses. Failure to keep up with estimated tax bills can create cash flow problems as well as the potential for punishing IRS penalties.
4. **Sales Taxes.** Most services remain exempt from sales tax (although not as many as in previous years), but most products are taxable (typical exceptions are food and drugs). If a business owner sells a product or service that is subject to sales tax, he or she must register with the state's tax department. Then taxable and nontaxable sales must be tracked and included on the company's sales tax return.
5. **Keep Tax Documents for at Least Seven Years.** Good record keeping saves money.
6. **Charitable Contributions.** Unless your business is a C corporation, charitable contributions typically "flow through" the business and are claimed as deductions on the individual tax returns of the shareholders of the company.
7. **Important Tax Deadlines for Businesses.** April 15 isn't the only important tax date for business owners. Consult your tax professional to make sure all the right dates are on your schedule.
8. **Deducting Loans.** Most business loans are not considered business income. One notable exception is a situation in which you negotiate with a creditor or lender to reduce your debt. In order to take advantage of a tax deduction, you must report the total amount of the loan, and the assets and expenditures financed must be necessary to operating the business.

9. Tax Audits. The very thought of an IRS audit is enough to make most business owners break into a cold sweat. But not all audits are created alike. Find out what it is all about for taking the appropriate steps.
10. The IRS. The IRS small business website provides a wealth of information to small and growing businesses. There's a section for businesses getting off the ground that includes a handy checklist and advice on choosing business structure. It's particularly helpful on important topics such as employee taxes and business tax deductions.

### **HELP YOUR BOTTOM LINE BY RETAINING HOURLY EMPLOYEES**

[From [SnagAJob.com](http://SnagAJob.com)] Last year 31 million Americans quit their jobs, according to the Bureau of Labor Statistics. This reflects 23 percent of the workforce who left their positions for greener pastures, moves that cost employers time and money.

And while today's labor market certainly is tighter than last year and layoffs are becoming a norm rather than the exception in many industries, hourly employees remain the backbone of the American manufacturing sector.

Research from the Work Institute found that hourly employers spend an average of \$8,500 to replace an employee. Hiring managers tell me that they experience costs associated with recruiting and training a new employee, as well overtime costs until a replacement is found.

In a time when we're all watching our bottom line, is your company doing everything it can to help ensure that current employees remain onboard?

The saying "ignorance is bliss" just doesn't hold true when it comes to managing an hourly workforce. Managers who do not maintain ongoing relationships with their hourly employees risk being caught off guard when an employee gives his notice. However, if you can recognize warning signs some employees demonstrate when they are frustrated or considering leaving, you may be able to intervene before it's too late. Be on the lookout for:

1. Attitude changes: Most workers aren't very good at putting on an act. If they're thinking of leaving a position, they mentally start to disengage even before they're actively looking for another job. Someone who used to go the extra mile becomes more of an average employee or gets through their shift doing the bare minimum required. Suddenly, they're five to 10 minutes late for their shift and taking a longer lunch.

2. Avoidance: Workers who are thinking of leaving often decide to lay low. For fear of admitting that they'd prefer another job, they avoid taking breaks with co-workers, and your "chatty Cathy" is suddenly mum. And, you may find that they avoid management even more so.
3. Something just doesn't feel right: And sometimes, it's a combination of clues that indicate a worker is disgruntled. You may notice a trend of complaining more, both to colleagues and to management. And maybe some recent absences seem suspicious: In the back of your mind, you're wondering, "Is he or she really sick?"

Of course, the better scenario is to proactively create a working environment that reduces hourly turnover rate. In my experience, some of the best practices include:

1. Offering competitive pay/benefits: In a survey [SnagAJob.com](http://SnagAJob.com) commissioned of hourly workers who indicated they were likely to change jobs in 2008, 72 percent said they would forego job satisfaction in favor of better pay. And, 49 percent also said that they would rank better benefits above job satisfaction. Both of these stats speak to the importance that hourly workers place on pay and benefits. Companies who wish to retain their hourly workers must be aware of local offerings from similar employers and be prudent about increasing their compensation and benefits so that a better offer cannot be found just down the road. On the benefits side, the most competitive hourly employers offer access to healthcare coverage, a 401k, tuition assistance, paid time off and a generous employee discount.
2. Rewarding your staff: Even if you can't provide your staff a raise right now, you may be able to offer other incentives. Consider offering an extra paid vacation day, gift certificates, increased company discounts, etc. And while workers appreciate these small expressions of "thank you," verbal or written praise should not be overlooked. If it's said sincerely, positive feedback makes employees feel good — and needed. Plus, you should publicly acknowledge stand-out employees for exceeding sales goals or other incentive programs on a daily, weekly or monthly basis.
3. Taking care of your company's culture: While hourly workers are indeed motivated by their paycheck, remember that it isn't everything. In a survey [SnagAJob.com](http://SnagAJob.com) commissioned of hourly workers ages 18-29, nearly one-third said the best thing about their job is their co-workers. (Pay, official benefits and interaction with customers were in a virtual three-way-tie for second place.) Given the importance that hourly workers place on their co-workers, take the time to understand the traits/personalities of employees who thrive in your environment so that your next hires will fit in well. Consider doing team

interviews so that applicants and current employees have a chance to meet before a hire is made. Plus, provide your employees the opportunity to refer applicants. They are likely to refer applicants with similar capabilities and interests.

This article was excerpted from [SnagAJob.com](http://SnagAJob.com) and written by Shawn Boyer, CEO of [SnagAJob.com](http://SnagAJob.com), America's largest hourly job website.

### **IN CONSUMER PRODUCTS? THEN COME TO VISION 2009 IN NEW ORLEANS**

Smaller companies who do business in consumer products -- either as a supplier or manufacturer of end products -- will certainly benefit from attending the VISION 2009 Consumer Products Conference, scheduled for January 26-29, 2009 in New Orleans, La. The annual event brings together all links in the consumer products and nonwovens supply chain and is a great chance to network with your larger suppliers and competitors.

It is also a chance to see some of the best new consumer products that utilize nonwoven fabrics in its final form as a couple of smaller companies go head-to-head with industry giants in the competition for the prestigious 2009 Visionary Award.

"The vital role nonwovens continue to play in a host of consumer products is clear in the quality of these five finalists, which were selected from almost two dozen nominations from around the world," says Visionary Award Chairman Michael Jacobsen, of INDA. "They represent the most significant advances in incorporating nonwovens technology into consumer products and they are being recognized not only for their technical attributes, but for their novel use of nonwoven fabrics as well."

The five finalists are:

1. Ahlstrom Disruptor nanoalumina fiber, nonwoven water filter media
2. Back Enterprises, Germy Wormy Sanitary Sleeve
3. Kimberly-Clark, GoodNites Sleep Boxer for Boys and Sleep Shorts for Girls
4. Rotano International, Nooby's Booties Disposable Dog Booties
5. WearOnce.com/Tredegar Consumer Designs, Inc., Once Single-Use Panty

For more information on VISION 2009: [VISION09 Homepage](#)

## INDA MEETINGS CALENDAR

2009

[Vision 2009](#) Consumer Products Conference

January 26-29, Sheraton New Orleans Canal Street, New Orleans, Louisiana

[Needlepunch 2009](#)

March 24-26, Marriott Grande Dunes, Myrtle Beach, South Carolina

[INDA Nonwovens Course](#)

March 31 - April 2, INDA Headquarters, Cary, North Carolina

[Elementary Nonwovens Course](#)

May 13-14, INDA Headquarters, Cary, North Carolina

[World of Wipes 2009](#) International Conference

June 22-24, Grand Hyatt Atlanta, Atlanta, Georgia

[INDA Nonwovens Course](#)

September 15-17, INDA Headquarters, Cary, North Carolina

[INTC 2009](#) International Nonwovens Technical Conference

September 21-24, Grand Hyatt Denver Downtown, Denver, Colorado

[Filtration 2009](#) International Conference & Expo

November 17-19, Navy Pier, Chicago, Illinois

2010

[IDEA 2010](#) International Conference & Expo

April 27-29, Miami Beach Convention Center, Miami Beach, Florida

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## THAT'S ALL, FOLKS

We would love to hear from you. Just email us at [mjacobson@inda.org](mailto:mjacobsen@inda.org) to let us know how you are getting along.

Michael Jacobsen, Editor, INDA Small Business e-Report