



WHCornerstone
Investments



***Keeping your business on track during
difficult economic times***

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January 27, 2009

Agenda



- What's happening in the economy right now?
- Things you can do to keep your business on track right now

The economy



- The Fed is “All in”! Z.I.R.P. (0-0.25%)
- Next: Quantitative Easing (QE)—the expansion of monetary base
- Triage:
 - Stop the job loss
 - Change trajectory of economy
- Expect unemployment in 8-10% range
 - Good foundation 90% of 135 million “able” workers

The economy (continued)



- Expect additional massive stimulus package(s)
- Infrastructure spending—long and slow
- Tax cut can changes trajectory of economy—fast
 - *Frostbite victims do not worry about sunstroke!*
- Decline in gas prices=tax cut
 - Petro dictators will try to change this
- Anticipate inflation

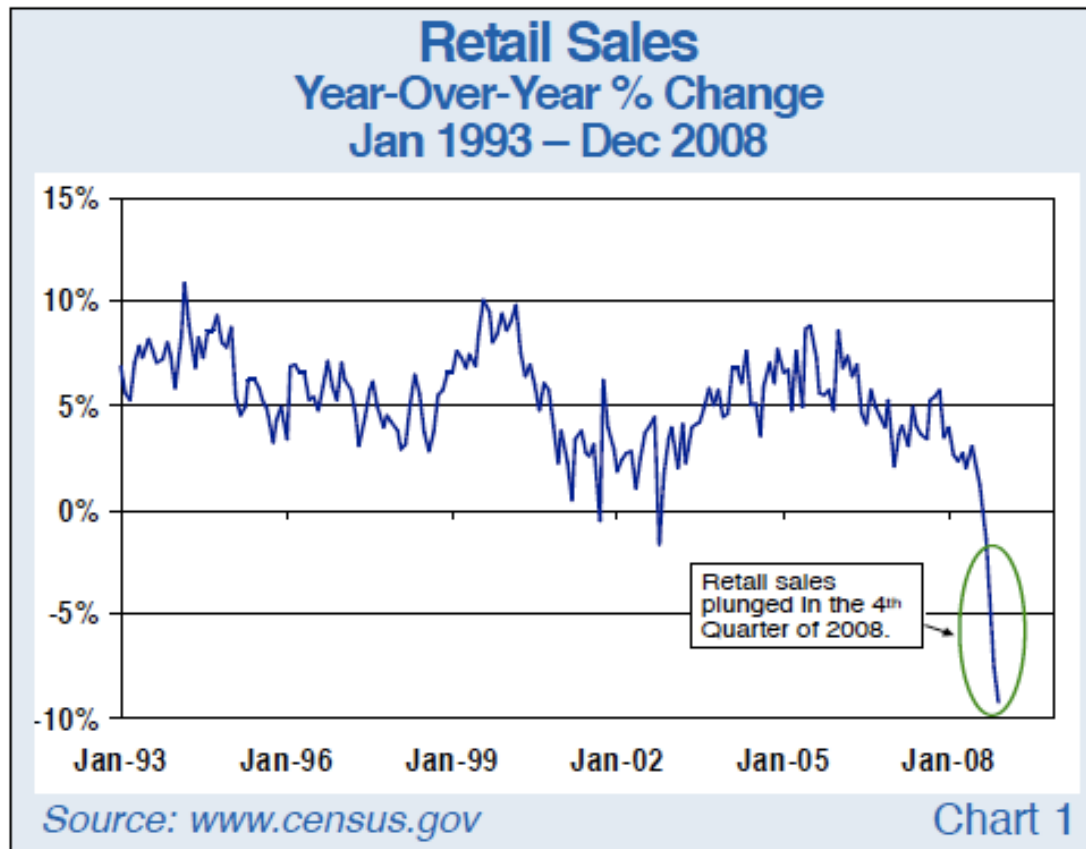
Foreshadowing?



“I believe that banking institutions are more dangerous to our liberties than standing armies. If the American people ever allow private banks to control the issue of their currency, first by inflation, then by deflation, the banks and corporations that will grow up around the banks will deprive the people of all property until their children wake-up homeless on the continent their fathers conquered.”

Thomas Jefferson, 1802

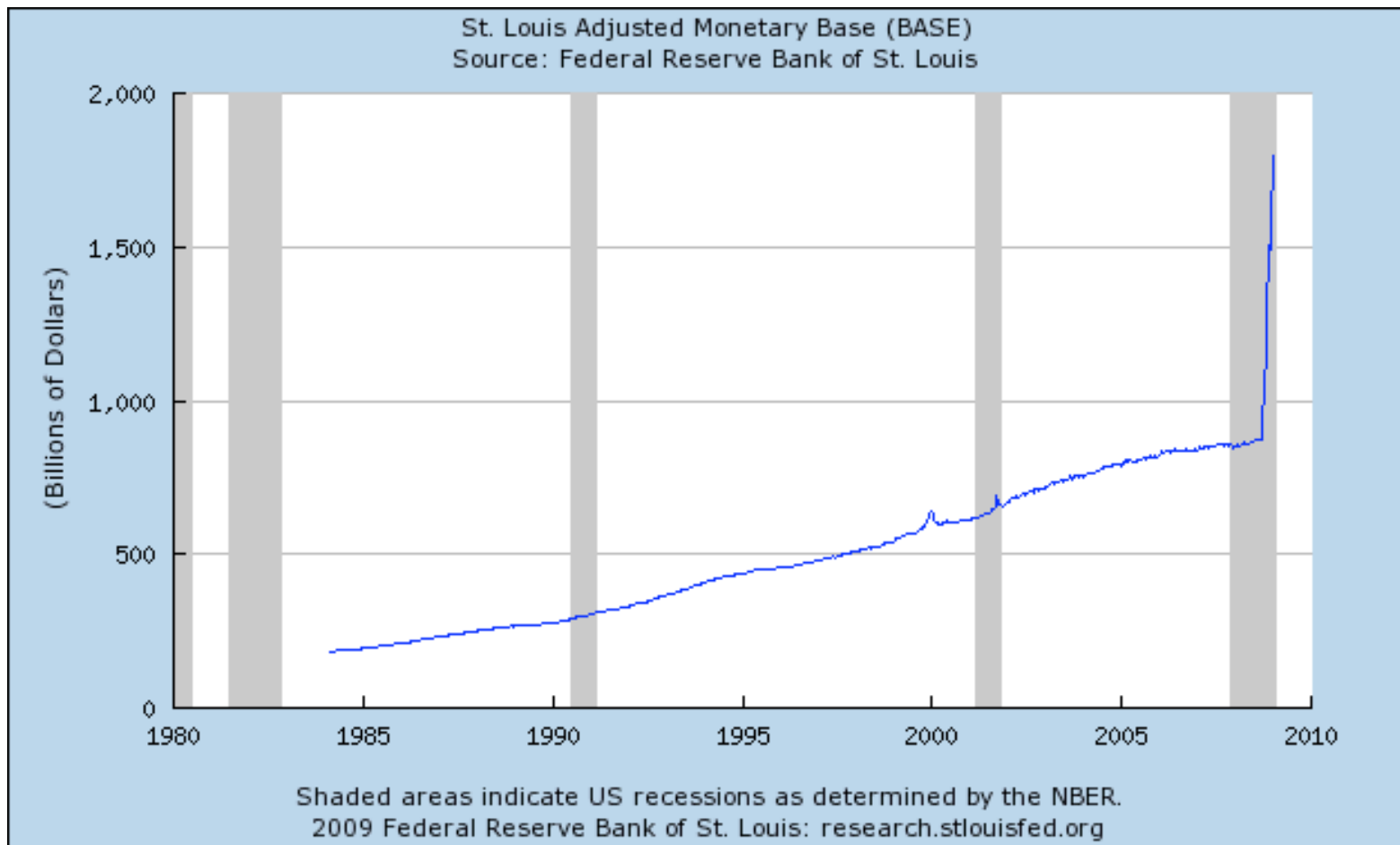
Scary retail sales



Monetary base

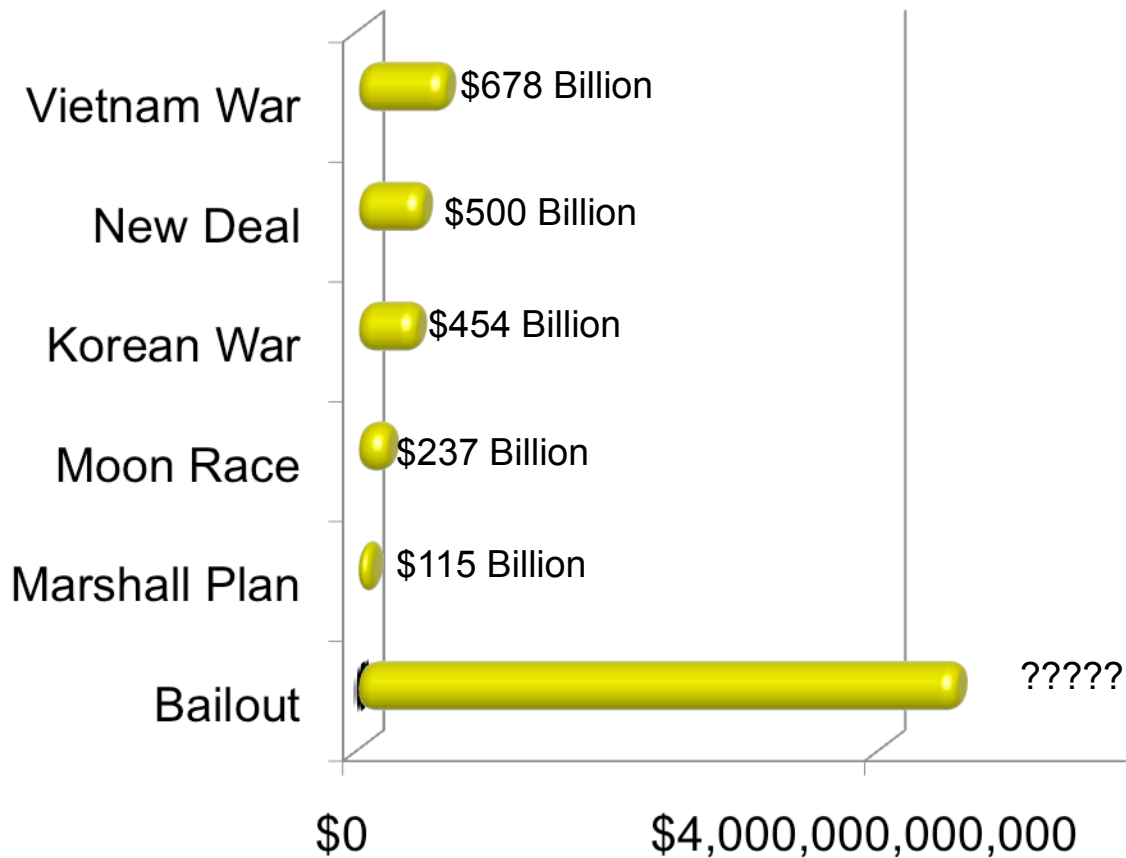


An increase of 97.5% year-over-year as of 01/14/09



Bailout

How much will be spent?



Source: Bianco Research

What you can do



1. Protect your sources of income
2. “Cash flow is king”
3. Back to basics budgeting
4. Develop a dashboard
5. Pay your silent partner
6. Get marketing / Develop your brand

Protect sources of income



- Take time to appreciate your best customers
- Invest in your own business
 - Resist the urge to cut prices
 - Market more, not less
- Take care of your employees—your greatest asset

“Cash flow is king”



- Keep an eye on receivables
 - Get payments in advance
 - Send invoices immediately
- Watch payables. Float payments. Be ethical!
- Watch expenditures
 - Do not compromise quality
- Question all assumptions
- Know costs and know the true value of offering

Back to basics budgeting



- The “Cash Envelope System”
 - If you don’t have the cash, don’t buy it
- Update forecasts and be realistic.
- Debt to equity
 - Is it time to restructure debt?
- Spend income on paper before you spend it for real
- Zero based budgeting
 - Expenses are justified for each new period. Starting from a "zero base".
 - Every function is analyzed for it’s needs and costs.

Know your dashboard



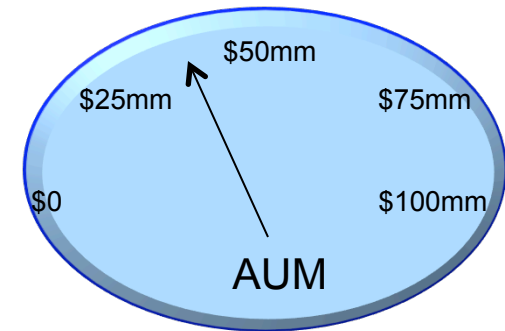
- Develop your own dashboard
 - Think of an airplane. Many dials and instruments. Only a few are vital for a safe flight.
- For our firm, we do a weekly review of:
 - How much cash is in the bank
 - Weekly cash flow / scheduled expenditures
 - Market indexes
 - Assets under management
 - Prospect pipeline (hourly vs. A.U.M.)

Dashboard



Bank
 Bank Balance: \$22,346
 Line of credit: \$2,356

Cash Flow
 Incoming: \$8,356
 Outgoing: \$5,650
 Net Flow: +2,706



Hourly Projects

1. Smith Plan
2. XYZ Engineering ESOP
3. Jones Co. 401(k)
4. _____
5. _____
6. _____

Index (ending 1/14/09)	% Change 1 week	% Change 1 year
DJIA	-6.5%	-35.8%
SP500	-7.1%	-40.5%
NASDAQ	-6.8%	-39.9%
FTSE	-7.3%	-32.7%
Tokyo	-8.7%	-40.2%

New Assets

1. Kelly Transfer
2. Jones Simple IRA
3. _____
4. _____
5. _____
6. _____

Pay your silent partner



- Pay taxes on time
 - Audits, frozen accounts, fines
 - Shutdown your business
- Make qualified retirement plan contributions on time
 - Audits, fines, disqualified plans

Get marketing



- McGraw-Hill Study of 1974-75, 1981-82 recessions
 - Companies that cut marketing: sales declined by 45%
 - Companies that didn't cut marketing: sales declined by 21%
- 1990 Nike tripled marketing budget
 - Result: profit increase of 9X marketing budget

“The future belongs to the brave!”

Get marketing (continued)



- A great time for unconventional marketing
 - 2 for the price of 1
 - Money back guarantee if not fully satisfied
 - Sign up by February 15th, you will get a complimentary bonus session
 - New clients get a **FREE** 30 minute trial session
 - Free DVD player if you spend over \$500
 - Free trading for 30 days



In summary

- These are *normal* business times
- Know where you are going
 - *“He who has a strong enough why can bear almost any how.” Friedrich Nietzsche*
- Know what you are offering
- *“Go where the puck is going, not where the puck has been.” --Wayne Gretzky*

Contact information



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