

DOCUMENT RESUME

ED 211 782

CE 031 066

AUTHOR Shapiro, Norma
TITLE Getting Down to Business: Bookkeeping Service, Module 19. [Student Guide]. Entrepreneurship Training Components.
INSTITUTION American Institutes for Research in the Behavioral Sciences, Palo Alto, Calif.
SPONS AGENCY Office of Vocational and Adult Education (ED), Washington, D.C.
PUB DATE May 81
CONTRACT 300-79-0535
NOTE 93p.; For related documents see CE 031 026-101 and CE 031 324.
AVAILABLE FROM Wisconsin Vocational Studies Center, 964 Educational Sciences Bldg., Madison, WI 53706 (Order No. ETC100K1, \$6.00. 25% discount on 100 or more of same title. Complete set--ETC100--\$200.00).
EDRS PRICE MF01/PC04 Plus Postage.
DESCRIPTORS Administrator Role; Advertising; *Bookkeeping; *Business Administration; *Business Education; *Business Skills; Financial Support; Learning Activities; Learning Modules; *Money Management; *Recordkeeping; Salesmanship; Secondary Education
IDENTIFIERS *Entrepreneurship; Small Businesses

ABSTRACT

This module on owning and operating a bookkeeping service is one of 36 in a series on entrepreneurship. The introduction tells the student what topics will be covered and suggests other modules to read in related occupations. Each unit includes student goals, a case study, and a discussion of the unit subject matter. Learning activities are divided into individual activities, discussion questions, and a group activity. Units (and subject matter) in this module are planning your business (type of clients; competition; personal qualities and skills; legal requirements); choosing a location (what to consider); getting money to start (business descriptions; statement of financial need; equipment; unforeseen expenses); being in charge (hiring staff; job descriptions; training staff); organizing the work (setting up clients; organizing the office; work schedules; time cards; the library); setting prices (questions to ask; tax season); advertising and selling (business cards; yellow pages ads); keeping financial records (how to bill; keeping track of the work; daily cash sheet); and keeping your business successful (profit/loss statement; net profit; profit ratio; computers). A summary and quiz complete the document. (A teacher's guide is available for this module.) (CT)

 * Reproductions supplied by EDRS are the best that can be made *
 * from the original document. *

etc

Entrepreneurship Training Components

ED211782

GETTING DOWN TO BUSINESS:

Bookkeeping Service

Module 19

U.S. DEPARTMENT OF EDUCATION

TECHNICAL ASSISTANCE CENTER
MATERIALS DEVELOPMENT CENTER

CE 031066

American Institutes for Research



The information reported herein was obtained pursuant to Contract No. 300-79-0535, Office of Vocational and Adult Education, U.S. Education Department. Contractors undertaking such projects under government sponsorship are encouraged to document information according to their observation and professional judgment. Consequently, information, points of view, or opinions stated do not necessarily represent official Education Department position or policy.

GETTING DOWN TO BUSINESS:

Bookkeeping Service

Norma Shapiro

May 1981

Developed at the American Institutes for Research
under support from the
Office of Vocational and Adult Education
U.S. Education Department

The Entrepreneurship Training Components are based on information from many sources. Special acknowledgement is due the Small Business Management and Ownership materials designed and tested by CRC Education and Human Development, Inc. for the U.S. Office of Education's Bureau of Occupational and Adult Education. Special thanks are owed the entrepreneurs who shared their experiences during the preparation of this module.

TABLE OF CONTENTS

Introduction	1
Unit 1	
Planning a Bookkeeping Service	3
Learning Activities	11
Unit 2	
Choosing a Location	13
Learning Activities	19
Unit 3	
Getting Money to Start	21
Learning Activities	28
Unit 4	
Being in Charge	31
Learning Activities	38
Unit 5	
Organizing the Work	41
Learning Activities	49
Unit 6	
Setting Prices	51
Learning Activities	60
Unit 7	
Advertising and Selling	63
Learning Activities	69
Unit 8	
Keeping Financial Records	71
Learning Activities	77
Unit 9	
Keeping Your Business Successful	79
Learning Activities	86
Summary	89
Quiz	91

INTRODUCTION

How are you going to use your job skills after you finish school?

Have you ever thought about starting your own bookkeeping service?

This module describes people who have started and managed bookkeeping services. It gives you an idea of what they do and some of the special skills they need.

You will read about

- planning a bookkeeping service
- choosing a location
- getting money to start
- being in charge
- organizing the work
- setting prices
- advertising and selling
- keeping financial records
- keeping your business successful

You will also have a chance to practice some of the things that bookkeeping service owners do.

Then you will have a better idea of whether a career as a bookkeeping service owner is for you.

Before you read this module, you might want to study Module 1, Getting Down to Business: What's It All About?

When you finish this module, you might want to read

- Module 17, Getting Down to Business: Answering Service;
- Module 18, Getting Down to Business: Secretarial Service;
- Module 21, Getting Down to Business: Word Processing Service.

These modules are related to other business and office programs.

UNIT 1

Planning a Bookkeeping Service

Goal: To help you plan your bookkeeping service.

Objective 1: Describe the services, clients, and competition of a bookkeeping service.

Objective 2: List three personal qualities a bookkeeping service owner might have.

Objective 3: List three ways that a bookkeeping service might be special.

Objective 4: List two of the legal requirements you might have to consider before opening.

WHY GO INTO BUSINESS FOR YOURSELF?

Maybe you know the stereotype for bookkeepers. They are quiet, shy individuals--usually women. They don't take any risks in their lives--have their noses in dull green ledger books, and relate better to numbers than to fun. How about the stereotype for good businesspersons? They are aggressive, rugged individuals, usually men, who know how to wheel and deal. They're not afraid to put down their last \$5,000 on a new machine and can fire someone at the drop of a hat.

If you met Susan Haskell, a woman who opened her own bookkeeping service, you would know that these stereotypes are definitely on the way out. Independent Bookkeeping Services is Susan's baby. She started it after doing bookkeeping for three years for Wesson's Auto Body. Here's how she sees it:

"I remember really well the day that I decided to go into business for myself. I was sitting at my desk at Wesson's. I was really depressed. I thought about some of my friends who had gone into business for themselves. They were excited, busy, and sometimes frantic. But they had interesting lives--and always had something to talk about. I never had anything to talk about. My job was pretty much the same all the time. I got a steady paycheck and looked at the clock every half-hour.

"I just want to be my own person, 'independent,' live or die," I said. "That's how Independent Bookkeeping Services was born. I just went out and did it step by step. I've never regretted it--even when I have to borrow money to pay my bills, even when I work 15 hours a day during tax season,

"I've always liked bookkeeping, even though it has its dull moments. But now I get to meet lots of people and can get involved in the core of many kinds of businesses. What I've liked most is learning how to be helpful to people. People have very strange feelings about money. They want it, are scared of it, and are worried about it. If you want to be the owner of a successful bookkeeping service, you have to be somewhat of a counselor, too. I can't tell you how many 2:00 a.m. phone calls I've received: Susan, do you think I'm going to balance out this month? I love it. This year I'm opening up a second office in Sunnyoak."

Planning a Bookkeeping Service

There are many, many small businesses in America. Small businesses can have as few as one worker (the owner) or as many as four workers. A small business owner is "self-employed." Often a whole family works together in a small business.

What Does a Bookkeeping Service Do?

Let's say Pete Sargent wanted to open a beauty shop. He knows a lot about perms and waves and frizzes, but he doesn't know accounts payable from accounts receivable. He thinks petty cash is anything less than \$5.00. He needs a bookkeeping service.

A bookkeeping service is an independent business that records all the money transactions of other businesses. Many bookkeeping services do income taxes and personal financial consulting. (That means giving help to people who think budgets are only for state and federal governments. Usually, these people run up their credit cards and can't pay their bills.) As the bookkeeping service owner, you will want to have some technical knowledge about auditing, cost accounting, commercial law, finance, and insurance.

There are more "extras" that bookkeeping services might offer. For example, a bookkeeping service owner might be a notary public. Then he or she would own a stamp to use in confirming that a document is legally signed. The stamp costs \$10 a year, and you must be bonded for \$10,000.

Who Will Come to You?

The people who use your services are called your clients. The wonderful part of opening your own bookkeeping service is that every business that doesn't want to hire a bookkeeper and doesn't want to do its own books can be your client. As a bookkeeping service owner, you will have a wide variety of people using your service. Here is a list of the clients Susan saw in a couple of days:

- a tree surgeon who came to pick up his income tax returns;
- a painting contractor who wanted Susan to do his payroll accounts--he was an old friend, and they had a long talk;
- a ceramic artist who was opening his first shop and wanted Susan to set up his whole bookkeeping system--he didn't know anything and wanted Susan to handle it all;
- a young couple who had run up \$4,000 in credit card debts and wanted her to make out a financial plan for paying them off--they were clearly nervous and scared;
- a small corporation that makes frozen foods wanted Susan to train its secretary to do the monthly postings so Susan would have to do just the quarterly statements; and
- a woman whose husband had just died came in crying and wanted help in figuring out his business records.

Is There Room for You?

Most of your competition will be other bookkeeping services. Your competition could be a single person working out of his or her home or a big service employing several bookkeepers. Some of your work is similar to that of Certified Public Accountants (CPAs), so they are also competition.

The United States is very record-conscious. Most people realize that just looking in their cash register is not a good way to figure out if their business is showing a profit. And many businesses realize that just "throwing the receipts in a drawer" until tax time is a bad idea.

Other small businesses know that they don't have enough work for a full-time bookkeeper but don't want to do the books themselves. While there is competition, this is definitely a growing industry.

Is Running a Bookkeeping Service for You?

All the skills you need to open up a bookkeeping service you can acquire. You would have to know how to:

- be able to keep books on all the money transactions of a business or person--this is commonly called the double-entry system;
- compute tax return statements and be able to use different tax schedules if you do federal and state taxes; and
- run a small business yourself (while most of this you would already know, you would have to learn how to find a location, attract clients, and buy equipment; for example).

You can get all the experience you need either by working in an already established bookkeeping firm or by working in a business where you are able to do all of the bookkeeping duties. At least three years' experience is important. You should have experience in making adjusted entries, in trial balances, and in preparation of various financial reports.

Personal Qualities--Will You Like It?

You do not need to wear glasses and have a prim and proper smile to be a bookkeeper. You do need a sense of humor and an ability to deal with rush jobs. Here is what other owners of bookkeeping services have said about their work: "I don't think I would talk anyone into this business, but I love it. You have to be able to deal with people who feel stupid because they don't know the first thing about money. You have to care when your clients are having a bad month. You have to be both sympathetic and businesslike. Obviously, for the bookkeeping

part, you have to like working with numbers--going over your work--finding the ten cents that is driving you crazy! And you have to like pressure! But for the business part, you have to like working with people. You have to like being interrupted by the phone and the doorbell with questions and problems. People are funny about money. Most people want more of it, and I'm the one who sometimes tells them they have less of it. You've got to be a counselor."

How to Compete Well--Or, Service Means Service

People will choose to come to you because they heard about you from a friend, they saw your name in the Yellow Pages, or they know you. But will they come back to you? And will they tell other people about you? Here's what it takes to offer a GOOD bookkeeping service.

You have to be number perfect. Businesses or people who come to you are doing so because they can't do their own bookkeeping themselves. They are paying you to take problems off their hands. If there are mistakes in your work, you are no longer providing good service.

You have to deliver on time. You need to be prompt, especially around tax time. If you don't complete tax forms yourself, the people will need to have their balance sheets and profit/loss statements so they can have their taxes done. This means you shouldn't take on more businesses than you can handle.

You have to be nice about it. No one likes grumps. Even if your clients are frustrating, you can't act as if they are complete idiots. So what if they handed you a box of handwritten receipts and a checkbook that was barely readable? You might charge them for the extra time, but you still have to be understanding.

Your lips must be sealed. That sounds awful, and difficult! But what it means is that you must, under no circumstances, ever, ever talk about your clients' business to other people. Even in your sleep. Even

if you think it might be okay. A professional bookkeeper must be like the monkey that hears no evil, sees no evil, and speaks no evil. You will know about the money transactions of many people. They must be able to trust that you won't ever talk about them, even lightly, to anyone else. Whoever pays for your services owns his or her records. Not even a close friend, wife, or husband should get information about your client from you.

Legal Requirements

All states have laws regulating certain levels of public accounting. Since they are all different, you will want to write to the State Board of Accountancy in your state. Check with your state government.

If you prepare tax returns, you will have to obey state and federal laws regarding a "tax preparer's license." In California, for example, you need to be bonded and to pay a fee.

If you notarize documents, you also have to pay a fee, pass a test, and be bonded.

If you decide to open an office rather than work out of your home, you will probably need a business license from your city. If you work out of your home, you must also check with the city or county about certain zoning laws for running a business out of your home.

Summary

It is important to plan ahead before starting your business. Now you know four things to think about in planning a bookkeeping service:

- (1) different types of services you could provide to various clients;
- (2) the competition;
- (3) necessary skills and helpful personal qualities;
- and (4) legal requirements for running the business.

Learning Activities

Individual Activities

1. Which services is a bookkeeping service likely to provide?
 - a. Doing the monthly balance sheet for a drug company
 - b. Typing a mailing list for a shoe store
 - c. Computing a tax statement for a dentist
 - d. Doing errands for a beauty salon
2. Name two skills you would have to learn to open a bookkeeping service.
3. How is being the owner of a bookkeeping service different from being a bookkeeper?
4. Name two ways to get bookkeeping experience before opening your own business.

Discussion Questions

1. Susan Haskell has lots of reasons for liking having her own bookkeeping service. What are some reasons for not liking it?
2. Most owners of bookkeeping services are women. Do you think this is a disadvantage or an advantage for a man wanting to open a bookkeeping service?
3. One of your clients, Rob Groaner, complains and moans every time he comes to see you. The economy is bad, his wife doesn't earn enough,

his children want too many things. His books are easy to keep, and you don't want to lose his business. How do you handle it?

4. One bookkeeper talked about being sympathetic and business-like. What does that mean to you?

Group Activity

Invite an owner of a bookkeeping service to come to speak to your class. Write down a list of at least 15 questions that would help you decide if this business is for you.

Here is a list of topics that may help your thinking.

- Getting the business started
- Money—making it, getting it
- Best times
- Hard times
- Hiring people
- Running the business
- Advice

UNIT 2

Choosing a Location

Goal: To help you choose a good location for your service.

Objective 1: List three things to think about in deciding where to locate your business.

Objective 2: Pick the best location for a bookkeeping service from three locations.

Objective 3: Decide whether your city or town would be a good location for a bookkeeping service.



18

WHERE, OH WHERE, DOES THE CALCULATOR GO?

This is what Susan says about choosing a location for a bookkeeping service. "Location is a funny thing in this business. People choose a bookkeeper based on trust. They want to know you or have a friend who knows you. People won't trust their money affairs to you just because you have a good ad in the Yellow Pages. So it's always best to be in a town where you are already known. You might start out with one or two clients while still working for someone else. When you've built up your number of clients, you take the plunge. I took the plunge before I really had enough clients. About 20 steady clients is good for a beginner. I had five.

"The big question when you first decide to open your own service is whether you'll work out of your home. Except for some filing cabinets, which can take up quite a bit of space after a while, you don't need much more than a desk. It's the perfect business for people who need to be home--parents who are taking care of small children, or disabled people who can't get around.

"I didn't go that route. Part of being independent was also being independent from my apartment. I knew I was going to have to spend more money for rent, but I really needed a separate place. Also, you can attract larger businesses if you have a professional-looking office in the middle of a business district.

"I've moved around a little. I outgrew my first office in about two years. I needed to hire a part-time person and needed a desk for him. When I started doing more taxes, my filing cabinets seemed to grow like the monster in the movie Alien. Now I have about 400 square feet of office space, and I'm happy."

Choosing a Location

You Come First

You can start a bookkeeping service in almost every kind of city. But the city you choose must fit your personal requirements. You have to think about weather, family, friends, housing, and recreational facilities first. If you're not happy living in or close to that city, you won't be happy having a business there.

Next Comes the City

What makes a particular city a good place to open a bookkeeping service? All a city needs is people who know you and need you.

Many times you have to be a detective to find out if a particular city will be a good location for you. Here are some ideas.

1. Check the local want ads. See if there are a lot of businesses looking for bookkeepers. Many times if people need a bookkeeper, they could use your service instead.
2. Check out the other bookkeeping services in the area. Can you tell if they've been expanding or seem overworked?
3. Talk to an independent public accountant. Talk to the business people in your area. What do they think your chance of success is?
4. Go to the Chamber of Commerce. It will have a list of businesses in your community. See what information you can get by talking with successful business people.

There are some locations that should be avoided:

1. places with so many bookkeeping services that the competition would be too great (a "rule-of-thumb" is one bookkeeper for every 50 businesses; if there are 75-100 businesses for every public bookkeeper, the community could probably use you); and
2. places that are so small (less than 3,000 people) that you may have some very slow times.

And Last, the Right Spot within That City

The bookkeeping service that lives in your home can cause some problems as well as take care of some. Here are some questions to ask yourself:

1. Do you have a separate space that isn't used as your kitchen, bedroom, or living room? If you run the chance of mixing up your worksheets with your child's math homework, you're in big trouble.
2. Can you separate yourself from typical house distractions? You may enjoy a little chat with your letter carrier everyday, but at \$15 an hour, it may not be worth it.
3. How do the other house members feel about your work? If there are people in the house who don't understand your work, you will need to educate them as to your needs before you even turn on your adding machine.

Obvious advantages to working in your home include the price (don't forget the tax deduction) and the convenience. It's one of the first decisions you'll have to make.

If you decide to rent an office--you can go small. Anywhere that has some parking, is moderately convenient to the business district, and is pleasant for you to be in is a good bet. If you find a place in a large office building, so much the better. Your neighbors may be your first clients.

When you find a few good places, visit them for several hours on a couple of different days. You will be able to see the street traffic, and you will be able to decide which location could best attract customers.

Summary

1. Whom you know in a particular location is very important.
2. When choosing a location, you have to think about three different things: your personal preferences; the possibility of being successful in that city; and whether you will work out of your home or rent an office.
3. You should check out the local want ads and the other bookkeeping services in the area. You should also look at the different types of businesses in that community.
4. You will need a small office that has some growing room.
5. If you work out of your home, you will have to think of the working space, the distractions, and the other house members.
6. You should spend time checking out the location you choose.

Learning Activities

Individual Activities

1. Which sentence is most true?
 - a. A bookkeeping service must be close to the business district to be successful.
 - b. You may attract larger businesses to your service if you have an office.
 - c. You can probably do your work on your kitchen table.
2. Why is checking out the want ads a good way to find out if there is room for your service in your community?
3. List two advantages of working out of your home.
4. What population would you need to support a bookkeeping service?
 - a. 3,000
 - b. 10,000
 - c. 30,000

Discussion Questions

1. Choose three towns or areas that are close to your school. Answer these questions about those areas.
 - a. How many people live there?
 - b. How many bookkeeping services does each area have?
 - c. Is the area growing? How can you tell?
 - d. Where do you know the most people?

2. Based on what you found out, which area would be the best one? If none of them is very good, can you suggest another area you know about?

Group Activity

Here is a list of factors to think about when choosing a city. Rate them in order of importance (from 1-10). There is no "correct" answer. Discuss with the class the reasons for your rating. Try to come up with a class rating.

- a. Number of bookkeeping services in the area
- b. Easy to reach--transportation available
- c. Population of town and surrounding area
- d. Personal factors--personal preferences, family and friends nearby
- e. Growth of town
- f. Number of personal contacts
- g. Weather (climate)
- h. Advertising media available
- i. Nature and prosperity of industries
- j. Type of town--urban, farm, industrial, suburban

UNIT 3

Getting Money to Start

Goal: To help you plan how to get money to start a book-keeping service.

Objective 1: Write a business description for your business.

Objective 2: Fill out a form showing how much money you will need to start this business.

- EVEN A BOOKKEEPING SERVICE NEEDS SEED MONEY.

Susan describes getting a loan to start a bookkeeping service. "Thank goodness this is an easy business to start. You don't need much money, but you do need to be able to hire an answering service, make up some business cards, and get a license. A tape calculator would be helpful, but you could start with one of those ancient adding machines. I started my business with just over \$3,000. That included first and last month's rent on my place. You could do it for even less.

"When I moved to my larger quarters, I decided to do it up right. I was tired of everything being old, tired of cutting up National Geographic magazines for pictures for the wall. I wanted some artwork and some plants. I wanted a carpet that made people feel comfortable. A bookkeeper should be able to manage money well enough to afford a few of the nicer things in life.

"I went to my personal bank to feel things out. I thought I would have no trouble since I was a bookkeeper. Obviously, I was going to manage my money correctly. Well, even banks can go out of business and so can bookkeepers. They wanted to see my business plan. Of course, I knew what that was. I'd helped lots of others do that. It was sort of like a shoemaker making shoes for himself.

"For most people, getting money is very difficult. They get nervous in the interview; they act clumsy. Many people, mostly women, have a hard time asking for what they really need. I mean, you don't 'need' a painting on the wall. I went into my interview with the loan officer knowing that I needed every one of those items on my financial statement. I needed my artwork as much as my filing cabinets. I got the loan."

Getting Money to Start

The Business Description

As you learned from Susan, you won't get money without a business description—a written summary of just exactly what you want the money for. This is true if you've been in business a while or if you're just starting out.

The loan officer at the bank, and anyone else who is going to give you money, must think you have (sorry to put it this way) "done your homework." Anyone who is going to lend you money, even if it is your mother, has to believe you are a good investment. The lender will want to learn answers to these questions.

- Is there a need for your bookkeeping service in your community?
- Can you attract people to use your services?
- Do you have the skills to get the job done with the money you have asked for?

And you have to answer those questions. That's where the business description comes in. The business description relates to the first two items.

The Business Description That Got Susan Her Money

Here is Susan's written business description. She wrote it "outline style" so that it would be easier to read.

Name of owner: Susan Haskell

Name of bookkeeping service: Independent Bookkeeping Services

Type of service: Complete bookkeeping service done at my office, including state and federal tax returns, financial consulting, and notary public services.

Location: 44553 Elm Street, Oxnard, California

This is a small 20' x 20' office one block off Terrace Avenue near Simon Avenue, a retail business center. I was formerly located on Oak Street in the Pitman Building, but I have outgrown that office (15' x 10'). I chose my new location for three reasons:

1. I am within walking distance of many small businesses. There are an insurance building and several legal offices within a quarter-mile.
2. The people are very friendly. In an informal check of the neighborhood, six people said they might use my service.
3. A CPA three doors away, Sara Moore, has already agreed to give me her bookkeeping overflow.

Competition: There are six bookkeeping services in this community and eight CPAs. While this may seem like a lot, all of them are overworked.

Potential customers: I already have about 30 steady clients. Being so close to Ms. Moore will add more names to my list.

Strategy for success: Most clients come to bookkeeping services through word-of-mouth advertising or by being personally acquainted with the bookkeeper. I am and have been active in church affairs. I belong to the Chamber of Commerce and am a member of the volunteer fire department. I also belong to the League of Women Voters.

Just How Much Money Do You Ask For?

The statement of financial need is what you give to the bank along with your business description. It is a list of all the money you will need to start your business plus money to keep you going until you start making a profit. Below is a list of some typical start-up expenses.

Equipment

You can use an old-fashioned adding machine to do your bookkeeping, or you can use a calculator with a printout tape, memory, and 28-digit screen. There are also machines in between these two extremes.

<u>Item</u>	<u>Cost</u>
Used adding machine	To buy: \$10-\$75
New calculator with tape, memory, and screen	To rent: \$30/month To buy: \$280
Electric typewriter (cost varies with different features)	To rent: \$30-\$60/month To buy: \$650-\$1025

The Fudge Factor

No one can predict the future. You cannot know when your landlady is going to die and sell the building you're in. The costs of finding a new office and moving may come to \$3,000. The fudge factor takes care of these kinds of emergencies. It is sort of a "tip" that you give yourself for such calamities. You just add it right on to the top of your total start-up expenses.

Costs of Opening an Office

<u>Item</u>	<u>Range</u>	<u>Comments</u>
RENT for office (first and last month)	\$300 - \$600	\$0 if in your own home
SECURITY DEPOSIT	\$100 - \$200	
UTILITY DEPOSIT (including telephone)	\$50 - \$200	\$0 if in your own home
BUSINESS LICENSE	\$25 - \$75	
OFFICE FURNITURE and OTHER EQUIPMENT	\$ 0 - \$2,000	\$0 means you are good at scrounging, begging, and borrowing.

ANSWERING SERVICE	\$30/month	Very necessary!
PAPER and OFFICE SUPPLIES	\$100 - \$400	
DECOR (carpets, plants, pictures)	\$0 - \$500	You will be spending a lot of time here. The place should make you happy.
ADVERTISING (Yellow Pages newspaper ads, etc.)	\$100 - \$1,000	A Yellow Pages listing ad, is an absolute necessity.
EMPLOYEE SALARIES until money comes in	\$0 - \$4,000	
OWNER'S PAY during planning	\$0 - \$3,000	It takes at least one month to get set up.
FUDGE FACTOR	\$500 - \$1,000	"You-never-can-tell" money. Very, very important.

Summary

You need money to start a business. You will probably have to borrow from a bank or government agency. Now you know the kinds of information to give a lender when you ask for a loan.

Learning Activities

Individual Activities

1. Write a description of your business. It can be short, but you should really think about what kind of bookkeeping service you would like to own. Use your town or city. Put down a real place where it might be located. Here is what you should include.

Name of owner:

Name of bookkeeping service:

Services provided:

Location:

One or two reasons why this would be a good location

Competition:

Names of other bookkeeping services

A brief summary on how you are unique

Potential customers:

Who will use your service? List as many possibilities as you can.

Strategy for success:

What contacts do you already have?

What is your initial plan to attract customers (see Unit 7)?

2. Now that you have a business description, you can begin to write a statement of financial need. It is simply a list of the money you will need. To help you, here is a list of some of the questions you will need to answer.
 - a. Will you rent or buy your equipment?
 - b. Will you rent office space or work out of your home?
 - c. How much will you use on advertising (see Unit 7)?

Use the figures given in the previous pages to fill in this statement of financial need. Use your imagination to decide what kind of business your bookkeeping service will look like. List the amount of money you have to invest from personal savings (total money on hand) and then figure out the amount you'll need to borrow from the bank (total loan money needed).

STATEMENT OF FINANCIAL NEED

<u>Item</u>	<u>Amount</u>	<u>Item</u>	<u>Amount</u>
RENT + SECURITY DEPOSIT	\$ _____	LEGAL AND ACCOUNTING FEES	_____
UTILITY DEPOSIT	_____	DECOR	_____
BUSINESS LICENCE	_____	ADVERTISING	_____
OFFICE FURNITURE	_____	OWNER'S PAY DURING PLANNING	_____
ANSWERING SERVICE	_____	FUDGE FACTOR	_____
PAPER & OFFICE SUPPLIES	_____		
TOTAL STARTING EXPENSES		\$ _____	
TOTAL MONEY ON HAND		\$ _____	
TOTAL LOAN MONEY NEEDED		\$ _____	

Discussion Questions

1. Amanda Messersmith is thinking of opening her own bookkeeping service in Newark, New Jersey. She needs \$6,000.
 - Amanda's uncle will give her \$2,000 at 10% interest. He wants to be paid back within six months.
 - The bank will give Amanda as much as she needs at 14% interest. She will have three years to pay it back.
 - Amanda has \$5,000 saved up. It's all she has, and it took her five years to save it.

Where should Amanda get her money? Should she use her savings, her uncle's money, etc.? Discuss your reasons in class.

2. When Susan went to the bank to apply for a loan, she found a lot of questions about her "marital status." She was married once, when she was a lot younger, and didn't think it was any of the bank's business. How would you handle such a situation?

Group Activity

Role play your loan interview with a banker. One student should take the part of the business owner, and one student should be the loan officer. Afterwards, discuss how each student played his or her part.

UNIT 4

Being in Charge

Goal: To help you choose the people who work for you.

Objective 1: List the information needed on a job description.

Objective 2: Choose the best person to work at your service from a list of three.

Objective 3: List two ways to put your new employees at ease.

MOVING TO THE BIG TIME

Susan discusses why she wanted to hire an employee. "Many bookkeeping services are run by self-employed people who don't ever bother hiring people. They start out by themselves and stay that way forever. When I decided to hire another person part-time, it was hard for me to figure out why I wanted to do it. I mean, I was handling all the work myself and was doing fine.

"After one particularly monstrous tax season, I thought it was time either to turn people away or to find a partner-in-crime. (That's just an expression.) I decided that this was the time--either I was going to expand and hire someone, or I would always be a small service.

"I also wanted some company. After five or six hours on the books, the big numbers start square dancing, and the little numbers start to disco. Just being able to turn around and talk to someone is a big help.

"I knew I was going to try to find a bright high school student or someone with some college education. There's a little 'teacher' in me. I wanted someone I could teach in my methods, someone who wouldn't be too stuck in his or her own ways.

"I also wanted someone who had an interesting hobby or an exotic life, something that made that person different from me. When you work with people, you learn a lot about each other. I surely didn't want a carbon copy of myself!"

Being in Charge

Hiring People to Work for You--a Big Change

Many successful bookkeeping services are run by just one person. People operating out of their homes usually do it this way. They work for themselves and have no employees.

But if you find yourself getting home later and later every evening and keeping your lunch to a 10-minute yogurt break, it may be time to hire someone else.

The added advantage is that you will have more time to do the kinds of things that only you, the owner, can do. You can go out and get more clients. You can take some time to re-evaluate the work you've been doing for your old clients. And, perhaps, you can take a little vacation without coming back to a mountain of work.

As you probably know, there is a lot more to think about when you become an "employer," or a boss of other people. For one thing, there is more paperwork--social security, income tax forms, pay checks, and hourly reports. For another, you have to learn how to "be in charge." For example, you have to decide what to pay for wages and benefits and how to handle personality conflicts.

Most bookkeeping services pay by the hour. An hourly wage of \$4-\$7 is average for a beginning bookkeeper, depending on experience. Benefits are up to you. While you can get away without paying sick leave and vacation pay, these are no longer considered "extras." You may want to wait for a trial period to make sure a new person will work out.

Then, of course, you have to establish an employer-employee relationship. That's different from being friends because you, and only you, are the one responsible for the success of the business. When someone does a poor job, you have to be able to tell the person. It's hard to do that if you see the two of you as "friends."

You have to deal with people asking for raises, or quitting, or being chronically late. Every employer handles these things differently, but how you do it can make a big difference.

Who Will Fill Your Needs?--Writing the Job Description

The first step in hiring someone is to write a job description. Listing the qualities you want in an employee is a good way to begin.

This is Susan's list of what she was looking for in part-time help:

- must know the fundamentals of bookkeeping, such as posting checks and receipts (Susan didn't want to begin at "ground zero." She wanted the people who applied for the job to have some idea that they at least liked bookkeeping. She didn't want to have to teach them the importance of accuracy and about different types of records.);
- must be good in math;
- must have neat handwriting and want to be accurate; and
- must be friendly and outgoing.

Here is the completed job description that Susan wrote.

PART-TIME POSITION AVAILABLE FOR BOOKKEEPER'S ASSISTANT

Duties: Do daily postings. Additional responsibilities with training.

Requirements: Must have some knowledge of bookkeeping. Must be good in math. Must have neat handwriting and be accurate.

Personal: Must be prompt and reliable. Must like a friendly office.

Salary: \$5/hour starting pay.

Hours: 20 hours/week--flexible

Susan Haskell

Independent Bookkeeping Services

398-8896

Eeny-Meeny-Miny-WHO?

Selecting the right person is a matter of experience. Your decision should be based on information you get from:

1. the application form;
2. your interview with applicants;
3. a math test (be careful--some very good people freak out during tests); and
4. checking their work references.

Training the New People

If you can remember what it's like to start a new job, you probably will be a good boss. If you are like most people, you were slightly (or more than slightly!) nervous. It seemed as if there was too much information to remember, and too much time to forget it. You had a lot of questions and felt a little silly and stupid asking them.

Sometimes you can make the first day for your new worker go a lot better just by telling him or her not to worry, to take his or her time, and to ask questions. A good or even bad joke wouldn't hurt.

Give the person something simple to do, not work from your client with the worst chicken scratching. Don't breathe down your new employee's neck but make sure you check his or her work. The first day talk more about accuracy than speed.

A Last Word

Although being a good boss is only one of a business owner's responsibilities, it is central to success. When the people who work for you feel good about their work, you'll discover the personal rewards of being an employer.

Summary

As an owner, you may find yourself overworked and need to hire an employee. To find the right person, you will need to write a job description that includes duties, requirements, and salary. Selecting the right person comes from experience. You will need to look at the interview, application, math test, and work references. You will probably be a good boss if you listen well to your employees and if you can find ways to put them at ease.

Learning Activities

Individual Activities

1. What are some of the reasons you might want to hire another person? What are some of the disadvantages?
2. Susan sent her job description to the local high school and to junior colleges because she wanted to work with young people. Name three other places you can advertise an available position.
3. Susan did not put her address on the job description. Do you think this was a good idea? Why, or why not?
4. One of the things listed on the job description is "must like a friendly office." Do you feel this is important? Why, or why not?
5. Susan said she wanted someone with an "interesting hobby or exotic life." Would this be important to you when hiring a person to work for you? Why do you think this is important to Susan?
6. Here are the applications of three people who applied for the job with Susan. After she spoke with each of them, she wrote down what she had learned in the interview. If this was all you had to go on, whom would you hire? Give reasons for your choice.

Name: Sid Shasta

Education: Graduated from Union High School

Business major, one year of bookkeeping

Work Experience: One year: sales clerk in a hardware store

One year: busboy in a restaurant

Math Test: 82%

Personal Characteristics: Very outgoing. Likes to do gourmet cooking: Wants \$6/hr.

Name: Roberta Rosmarin

Education: Graduated from Union High School

Math major, A average

Completed one year of junior college

Work Experience: None

Math Test: 96%

Personal Characteristics: Has had two classes in bookkeeping, no work experience. Very eager to learn. Shy. Good handwriting. Uses wheelchair. Has lived in Argentina, speaks three languages.

Name: Sue Chow

Education: Senior at Union High School

Math major

Work Experience: Part-time cashier and bookkeeper's assistant in small clothing store for two years

Math Test: 100%

Personal Characteristics: Missed 20 days of school last year due to illness. Still looks sickly. Good handwriting. Paints porcelain figurines.

Discussion Questions

1. Your new employee is doing a great job. You have noticed lately that he particularly likes one of your clients. He keeps asking you about her. She also seems to be interested in him. How do you handle it?
2. After going over some of the work of your new employee, you notice several large mistakes. She is just about to leave for the day, and you know that she has an important date that evening. How do you handle it?

Group Activity

How would you fire someone? "Good-bye" is usually not enough. Many people have realized, after they have let someone go, that they created a lot of bad feelings when they didn't have to. As a class, write a list of "Dos" and "Don'ts." Here are some questions for ideas. What would you do about termination pay? How much notice would you give? Would you tell the person why he or she was being fired?

UNIT 5

Organizing the Work

Goal: To help you organize the work of a bookkeeping service.

Objective 1: Fill out a customer work order form.

Objective 2: Estimate the amount of time particular jobs will take.



YOU DO IT. NO, I'LL DO IT. NO, YOU DO IT.

This is what Susan says about keeping books for a number of clients. "Sometimes I feel like a yo-yo, or maybe it's more like an octopus. In one day I might do 50 or 60 little things. Or I may spend five or six hours on just one thing. I get interrupted by the phone, by the doorbell, by the street cleaners who don't care that I'm checking the same work for the seventh time!

"Keeping books for one company is so different from running a service for many customers. At one company you might have to organize things once and then reorganize a year later. But in running a service, each client you have does things differently. I had one beauty shop owner who wouldn't so much as count the money at the end of the day. Then I had one natural foods store that kept triple-entry books--TRIPLE! And, if you can believe this, I had one client, an old man, who had two checking accounts. He used one for a week and then the other the next week. He did that so one could 'sit still,' as he put it. He never did overdraw, but what a pain that was for me.

"So, besides organizing your office, you have to organize your client's office. You have to show clients how to keep their records straight--and that's a very tricky business. They may not want to put all the information you need to have on their invoices.

"Another big problem is getting used to the deadlines. You know that in February, March, and especially April, you're going to be a loony. You start preparing for this in December. In January it's the W-2 and W-4 reconciliations that are going to drive you crazy. June ends the fiscal year. The only other big months are the ends of the quarters--March, June (again), September, and December.

"August and October are usually times you can put your feet up for a spell. But not for too long--a monthly balance sheet doesn't come out once a year!"

Organizing the Work

Setting up Your Clients

The first time a client comes to you, you have to play "20 questions." He or she may just want you to do the quarterly and annual statements. A new business owner may want you to design and set up the entire bookkeeping operation. Susan was asked to design a potter's whole system and then teach her husband the system so he could do all the posting.

You'll also need to find out what the client wants his or her bookkeeping system to do. Does the person want a cost analysis and detailed profit ratios, or does the client just want to satisfy the Internal Revenue Service (federal taxes)?

The system you set up must be adequate, easily understood, and adapted to the needs of the client. You can never have enough tact when presenting your new system.

Here are some questions you will have to ask your new clients.

1. What are all the reasons you want a bookkeeping system?
2. Do you pay by check or by invoice?
3. How do you record income? by bank statement? by receipt?
4. Do you have employees?
5. What different taxes do you have to pay?

Setting up Yourself

Almost all bookkeepers agree that the time they put into organizing their offices is time they get back in triple by not having to look for things. Here is a list of helpful hints.

- As much as possible, use the same forms and the same kinds of recordkeeping books for each client.
- Keep a book of all forms designed for your own as well as for your clients' use. Each form should be numbered. Put down the name of the printer, the price you paid, and the quantity of each form you bought.
- Set up a file of accounts (with numbers for each account). Then you can design a master chart as the groundwork for any new system and change it to fit in new clients.
- Keep time cards on the work you do every day. Your money comes from doing a little for this client and a lot for that one. You have to know which is which. If there's a fire, save these records first.

Setting up Your Workers

If your employee has to ask you to find every set of books that is being used, you are losing money.

Within the first week of employment, your new worker should be able to find almost anything he or she needs. Employees should all have their own equipment and, if possible, their own phone.

What Work Comes First?

Almost all bookkeeping work is "deadline" work. And while that seems hectic, you do get used to it.

Most bookkeepers will tell you that they organize their work by demand. If Sara Doctorow is calling every other day for her P/L statement, you do that first. If Ira Jacques is pestering you for his payroll and he screams louder than Sara, you do that first.

Luckily, all your clients won't have the same deadlines. Some like their statements on the first of the month, some on the 15th. After a while, you will probably get into a set routine with your monthly clients. Those who come in only at the quarter or for taxes will be squeezed in between them. And most bookkeepers just know that in March and April they will probably put in 10- to 12-hour days (if they are lucky).

Keeping Track of It All

The all-important time card is a must. At first, you should probably make it more detailed rather than less detailed. Here is a copy of Susan's time card for March 4th.

Date: March 4

Susan

Billable Time

<u>Time Begun</u>	<u>Time Ended</u>	<u>Client</u>	<u>Description of Work</u>	<u>Form</u>	<u>Time</u>
8:30	9:30	Gross Food Market	Ent. Daily Sheet		1 hr.
9:30	10:45	Pamela's Sporting Goods	Reconciled bank statement; enter unpaid invoices		1½ hr.
10:45	12:45	Simon's Flower Shop	Post ledger Trial balance	BS-3 PL-3	2 hr.
1:30	3:45	Handy Hardware	County tax returns	910 911	2½ hr.
4:45	5:15	Dr. Howard Graves	Telephone conversation		½ hr.

Non-billable Time

3:45	4:45		Redesigned Yellow Pages ad		
------	------	--	----------------------------	--	--

And Finally... Your Library

A modern up-to-date library is necessary. For those questions that you can't answer, or for those times that you need to understand some little-used form, you need a modern bookkeeping library. For all your tax work, you will probably subscribe to a tax service that gives you up-to-the-second changes in the tax laws. There are many standard texts on bookkeeping and accounting that will save you time. You will probably want to have some books on business management and financial planning.

Summary

1. When you get a new client, you will want to spend some time with her or him to set up the right system for that particular business.
 2. You'll save time by organizing your office and the forms you use as carefully as possible.
 3. Your employees should also understand how your office works.
 4. Work is usually done according to when it is due.
 5. You must keep track of the time you spend on a client's books. The time card is divided into billable and non-billable hours.
 6. You will also need a bookkeeping library.
-

Learning Activities

Individual Activities

1. Why should each client be treated individually? Do you think that makes your work easier or more difficult?
2. Susan keeps a time card for each of her workers and for herself. Why do you think she divides the time into "billable" and "non-billable" hours?
3. Most bookkeepers agree that they would rather have a lot of monthly clients, rather than quarterly or yearly clients. Why do you think this is so?

Discussion Questions

1. Joan Stealwell has come to you to do her bookkeeping. Everything is going fine until income tax time. She wants you to add a little here and there to her deductions. She claims that she's never been audited. You won't even have to sign the return. She just wants you to play with the figures a little. What do you tell her?
2. Ira Moaner complains about his wife every time he comes in. Finally, his wife comes in to pick up his business statements. She tells you that he didn't have the time and she is doing him a favor. How do you handle it?

Group Activity

Part of your job as an owner will be to do many things that keep the business going. Here is a list of some of them. As a group, see if you can estimate the amount of time you would spend on each of them.

1. Writing out the weekly payroll checks for four employees
2. Calling the Yellow Pages ad consultant about redesigning your ad
3. Dealing with an upset client whose profits are declining
4. Talking with one of your workers who came in drunk
5. Meeting with a CPA about the new tax course offered at a junior college
6. Reading the morning mail--three bills, two letters, and six pieces of junk mail

If this happened all in one day (which is not likely, but possible), how much time would you have left for doing the bookkeeping work? If you were completely swamped with work, which of these tasks could be put off for another day?

UNIT 6

Setting Prices

Goal: To help you decide how to set prices for your bookkeeping service.

Objective 1: List three things to consider in setting prices for your service.

Objective 2: Set prices for your bookkeeping service after being given certain facts.

JUST WHAT IS A BOOKKEEPING SERVICE WORTH?

Susan tells how she decided on her prices. "Whenever people ask me about pricing, I tell them to work at it for six months and then to start charging! You just can't tell what's fair.

"Before I set my prices, there was sort of a tennis match going on in my head. 'If I ask for \$12 an hour, they won't come back. If I don't ask for at least \$12 an hour, I won't make my rent payments.' Back and forth it went.

"Some people don't charge by the hour. They think it's too much of a pain. When they get a new client, they do his or her work for a month or so and set a monthly fee. Every month the client is charged the same fee. I suppose one could do it that way. 'You'd have to learn not to complain during tax season when the client was still paying you the same amount.

"You also have to figure out what your bookkeeping service is worth. There really is no one price. When Alan came to see me, he had hardly any money and wanted to try to set up a used bookstore. He knew he needed a bookkeeping service but didn't have much money to pay me. I decided I wanted to have him as a client and watch his new business grow. It feels good to be a part of that. So I charged him less. We agreed that as his business improved, I would charge more. It was worth taking the risk.

"I remember the first time I did my break-even analysis (that means how much business you have to do to pay all of your bills at the end of the month). I was really surprised to find out that I had close to \$1500 a month in expenses. It made me think a little. I couldn't take on as many used bookstore owners as I would like to!"

Setting Prices

The Questions to Ask

People go about setting prices for their bookkeeping services in slightly different ways. Everyone, however, wants to make enough money to stay in business and go to a movie once in a while. These are the most important questions to ask in determining prices:

What do others charge?

What is your break-even point to cover your expenses?

How much profit do you want?

Will you charge an hourly rate or a flat fee?

What factors will make your prices go up or down?

How will you arrange a price agreement with your client?

What do others charge? In most businesses there is the "going rate." It is the average that is charged by other bookkeeping services. All you have to do is call or go to the other services in your area (your competitors) and ask what they charge for their services. In big cities the "going rate" is between \$12 and \$18 an hour. People who work in their homes can generally charge less.

The break-even point. Most bookkeeping services charge by the hour so they do not lose money when a job takes longer, although some clients may have a monthly fee. It is possible to find out how much it costs to run your office for each hour you are open.

Just what does it cost to keep your business open every hour? Start with bills you pay by the month. Monthly expenses are the bills that come every month: rent, electricity, phone, garbage pickup, salaries, rental charge for your machines, Yellow Pages ad, cleaning service, and answering service. When you get the total for your monthly expenses,

divide by 145 hours in a month. That becomes your hourly expense. (There are actually 168 working hours in a month--8 working hours/day x 21 days/month [21 is the standard number of working days/month]. However, you have to allow time for coffee breaks, talking on the phone, and "socializing" among employees. Therefore, 145 hours is a good estimate to use for the number of money-making hours per month.)

Then think about your yearly expenses--these are bills that come once a year. You have to find out how much they cost per hour too. Examples of yearly expenses are insurance, taxes, advertising campaigns, goodwill activities, paper and other supplies (ordered four times a year), and a service warranty on equipment. This has to be divided by 1740. That's the number of hours in a year! (Multiply 145 hours/month by 12.)

There will also be other money spent or lost. These items are not exactly "bills." They are ways your business loses money every year even though a bill doesn't come in. They have to be counted as expenses too. Examples of these types of expenses are theft, bills that customers haven't paid, money lost because equipment is getting older (depreciation), vacation time, and sick leave. This has to be divided by 1740 also.

Here is a part of Susan's expense sheet and the "cost-per-hour" of each expense.

<u>Item</u>	<u>Cost</u>	<u>Math problem</u>	<u>Cost per hour</u>
Rent	\$300/mo	$\frac{\$300}{145}$	\$ 2.06
Salary for 2 Employees	\$2,610/mo	$\frac{\$2,610}{145}$	\$18.00
Yellow Pages Ad	\$60/mo	$\frac{\$60}{145}$	\$.41

Paper & Supplies	\$1,000/yr	$\frac{\$1,000}{1,740}$	\$.57
Insurance	\$250/yr	$\frac{\$250}{1,740}$	\$.14
Bad Accounts	\$200/yr	$\frac{\$200}{1,740}$	\$.11

When Susan added up these costs and her other expenses, she came out to \$10 per hour, not including her salary. For her to break even, she needed to make at least \$1450 a month (145 hours x \$10/hour). That doesn't count eating, paying her own rent on her apartment, or any of her other personal bills.

Usually you won't be able to get enough customers at the beginning to fill up all your billable hours and break even. You can't charge the customers you do have super-high rates, either, to make up the difference. Eventually, however, you'll need to bring in an attractive profit every month to make it all worth your time. Think of this, too, when setting your prices, and add in a few dollars an hour for profit. For example, Susan could charge her clients \$12 an hour.

Charging by the Hour or by the Month. Only experience and time will tell you which way is best for you. For now, you should know the difference between the two.

By the hour--You keep a time card of all the time you spend doing any kind of work for each client. You tell the client your fixed rate per hour. At the end of the month, you give your client a bill for the number of hours you worked.

Advantages--You never work for "free" because you told a client a price for the month and then worked too long for the amount you told him or her.

Disadvantages--You have to keep track of all the hours. Your billing system is more complex, because each bill will be different.

By the month (also called flat fee)--You charge a client one price every month to do whatever is necessary to complete his or her books.

Advantages--Your client doesn't get any "surprises." Most small businesses like that. They know that for \$50 a month, their bookkeeping is handled.

Disadvantages--It is much more difficult to set a fair price for yourself. You have to be good at knowing how long someone's books are going to take. You have to decide exactly what your client wants, and you have to decide whether to include any tax work. (If you don't, April can leave you feeling very hungry and very overworked!)

More on riding the price elevator. Going up--You can charge more if you have prestige and a good reputation. What things give you prestige? Having your own office, for one. It makes you seem more professional. So while it costs more to rent, you can charge more to your clients. Offering a complete service, including taxes, systems design, and personal financial consulting will also give you prestige. You get a good reputation by offering honest, accurate service. To put it another way, trust is worth money.

Going down--If there are lots of other bookkeeping services in your area, you may have to lower the price. If you work out of your home and have fewer bills, you can lower the price without cutting into your profits.

Setting up the price agreement. If you charge by the hour, tell your client your hourly fee at your first meeting. The flat fee isn't usually decided on until a three-month trial period has passed, at least in the beginning. Later you will probably be able to quote monthly fees more accurately the first time around.

But no matter how you charge, you have to agree on what amount of bookkeeping will be done for that amount of money. Will it include taxes? payroll? all posting of daily transactions? Will you do profit ratios? or just P/L statements? As you will find out, "doing the books" can mean lots of different things to your clients.

A Final Note--Tax Season

Tax season, that wonderful time between December and the following April, can get pretty crazy. Susan had a separate price list for doing taxes. Here is what she had to do in preparing a tax return.

Study tax laws

Prepare the return

Maintain her tax information service

Go to tax law classes

Carry an extra work load during this season

This is Susan's standard price list.

Straight bookkeeping	\$12-\$18 an hour
Monthly fees (vary; they are fixed after a trial period of three months)	
Taxes	
1040 (short form)	\$18 and up
1040 (long form)	\$40 and up
Income averaging	\$15 and up

Summary

1. Setting pricing depends on:
 - a. what others charge;
 - b. what your break-even point and your profit goal are;
 - c. whether you will charge an hourly rate or a monthly rate;

d. other factors such as reputation, prestige, and the location of your office; and,

e. the price agreement you set up with a client.

2. Most bookkeepers have special rates for the different forms to be filled out during tax season.

Learning Activities

Individual Activities

1. What does the term "break-even point" mean?
2. Why can a service that is run out of the owner's home charge less without making less profit?
3. Name two kinds of expenses that have to be counted that are not "bills."
4. Why do most bookkeeping services charge differently during tax season?

Discussion Questions

1. Many people, especially women, have a hard time charging what they feel their service is worth. Why do you think this is true? How can this be prevented?
2. You have set up your service with a beginning fee of \$13 an hour. After figuring out your break-even point and adding more for profit, you feel this is a fair price. Harold Whitewall comes to you as a new client. His books will probably be easy to do, since he already has a good system set up. He tells you he is willing to pay you \$11 an hour for three months to see if he likes your work. What do you tell him?

3. There is a new bookkeeping service in your small town. The owner, a man named James, is charging only \$9 an hour. You're not sure there are enough clients for both of you. Are you going to change your rates? Why, or why not?

Group Activity

Here are some "facts" about your business. Each month you pay \$560 in bills. Each year you pay another \$1,680 in yearly bills. Other amounts you lose through depreciation, bad accounts, etc. amount to \$420. Figure out how much you need to make per hour to break even. Remember, there are 145 billable hours in a month and 1740 billable hours in a year. Other facts to consider are: you are just starting out and have had only five real clients of your own since you opened your business.

UNIT 7

Advertising and Selling

Goal: To help you learn different ways to advertise and sell your bookkeeping service.

Objective 1: Pick a good way to advertise a new business given a set of facts.

Objective 2: Design a printed ad for your bookkeeping service for the Yellow Pages of a telephone book.

ALICE SAID YOU WERE GOOD, SO YOU MUST BE GOOD

Susan describes advertising and promotion. "This business isn't like having a dry-cleaning business or even a plumbing service. People don't turn over their financial records to strangers. For the most part, they don't look up your name in the phone book and then call--not unless they are very new in town and don't know anybody.

"Most people will ask their friends or their business acquaintances. The butcher will ask the baker, 'Say, who does your books? Is that service good? Do you trust the owner?' Then the baker, who is your client, recommends you.

"Now, of course, comes the question, how did the baker come to me in the first place? Well, in her case I knew her from our being on the volunteer fire fighting squad together. That was three years ago. Besides the butcher, she has also sent me her brother, a hairdresser, and her mother, who runs a catering service. That's the best advertising there is. It's called 'word of mouth.' However, you can't depend on word of mouth to bring in business in the beginning.

"I'll never forget the first day I decided to go out and find new clients. I was still in the planning stages-- I had put down the first and last month's rent at my office, and I had arranged the ad in the Yellow Pages. It was time to go out and meet people.

"I had business cards, of course, and I kept a small ad in the weekly newspaper as a reminder. I went door to door. I told all the businesses I went into that I was opening an office in the neighborhood. I told them that I did taxes and all bookkeeping services. I told them I would notarize documents free for the next four months. I tried to be friendly and tell people a little about myself.

"Sometimes, I think I came on too strong. I was so excited about leaving my job and so scared that I'm sure I sounded weird. Eventually, though, about five of the people I saw on that first day became my clients. Not bad, for someone as green as I was."

Advertising and Selling

Every service business needs clients. Until you have a number of steady clients, you need to spend some of your time, energy, and money getting the word out. Even after your business is rolling, you may want to continue to advertise in various ways.

A Bookkeeping Service Is Different

Bookkeeping services are not like hamburger stands. You can't go out and advertise that you have cheaper, faster, or greasier service. There is an air of professionalism and ethics about a bookkeeping service. You are more like a dentist or a psychologist. You may spend a lot of time advertising yourself, but you will probably do it more quietly. You will most likely get the word out by:

1. mailing out announcements for the opening of your service;
2. having an ad in the Yellow Pages;
3. making calls on other businesses; and
4. being an active member of community projects that interest you.

Tell Everyone--Even Your Mother

The first step in your advertising campaign will be to tell everyone you know that you are going into business. Design a small card with the name of your business, the address, and telephone number announcing the opening. You can say other things on it, but it should look professional. Day-glo colors are probably not the best idea.

Send it to everyone you know--old high school buddies, your piano teacher, members of your old scout troop, your barber, and your brother's old girlfriend. Most people will be pleased to see that you're doing something worthwhile. They will also be glad to know a bookkeeper so they won't have to go to a stranger.

Get a Yellow Pages Ad

The Yellow Pages sales department will help you design an ad. But you need an idea of what you want. Let's consider the parts of an ad.

What's the most important information to include? For a bookkeeping service, both your phone number and your address are important. You must tell people:

- who you are;
- where you are located;
- what services you provide;
- what hours you are available; and
- why someone would want to choose your bookkeeping service.

The ad must be eye-catching, simple, and honest.

Go Out and Meet Potential Clients

There is no better way to get clients than to go out and meet them. You should start in the business district nearest your office and knock on people's doors. Needless to say, you can't wear your jogging shoes, even though you may walk a lot.

What you can't do. You can't offer to be cheaper than a business's present bookkeeper. Good bookkeepers don't start out by "stealing" clients. It doesn't speak well for their honesty. You also can't do a hard-sell approach. That means that you can't come on like a desperate used-car salesperson.

What you can do. You can introduce yourself, tell these potential customers about your service, and leave a card. You should be friendly and open.

Get Out and Get Around

You don't have to be a compulsive "joiner." You don't have to collect for every charity or be on every election committee. You should, however, be "visible." Do some "indirect" advertising. You should join a few groups that interest you. Many business deals used to be made on the golf course. Now they are also being made at cooking clubs. The more people who know you, the more people there will be who will think of you when they want a bookkeeper.

Summary

1. A bookkeeping service needs to get the word out in a professional way.
2. You should announce the opening of your service by telling everyone.
3. You will also need to design an ad for the Yellow Pages.
4. You will have to go out and introduce yourself to the businesses near you.
5. You should join clubs and groups that interest you.

Learning Activities

Individual Activities

1. Design an ad for the Yellow Pages.
 - Use 8½" x 11" paper. (Most people use paper bigger than the actual ad will be. A special camera reduces the size later.)
 - Be sure to include the five parts of an ad:
 - headline--the largest letters should be eye-catching;
 - illustration--a drawing;
 - copy--words you use to describe your service;
 - layout--how you arrange your ad; and
 - identification--your business' name, phone number, and address.
 - Include all the kinds of information described on page 67.
 - Even if your artwork is not perfect, draw a sketch to show your ideas.
2. Call the Yellow Pages sales department in your area. Ask for a price list on different-sized ads.
3. Name three ways to inform people of your service.

Discussion Questions

1. It has been said that independent public accountants, lawyers, bank credit officers, and insurance salespeople are good people for bookkeeping service owners to know. Discuss why this is true.

2. Discuss a good introductory advertising strategy for the following new bookkeeping service owner.

Mark Weitz wants to open a bookkeeping service. His wife just accepted a position as an intern at a hospital in a town where Mark knows no one. What should he do to get the word out that there is a new bookkeeping service in town? Can you think of any special things he could do because his wife works at a hospital?

Group Activity

Many dentists are beginning to advertise in newspapers offering special discounts. The practice is frowned upon by other dentists, who do not consider it "professional." What do you think of using the same kind of flashy advertising for bookkeeping services?

Think of some community activities that you could get involved in that would be "professional" but would increase your "visibility."

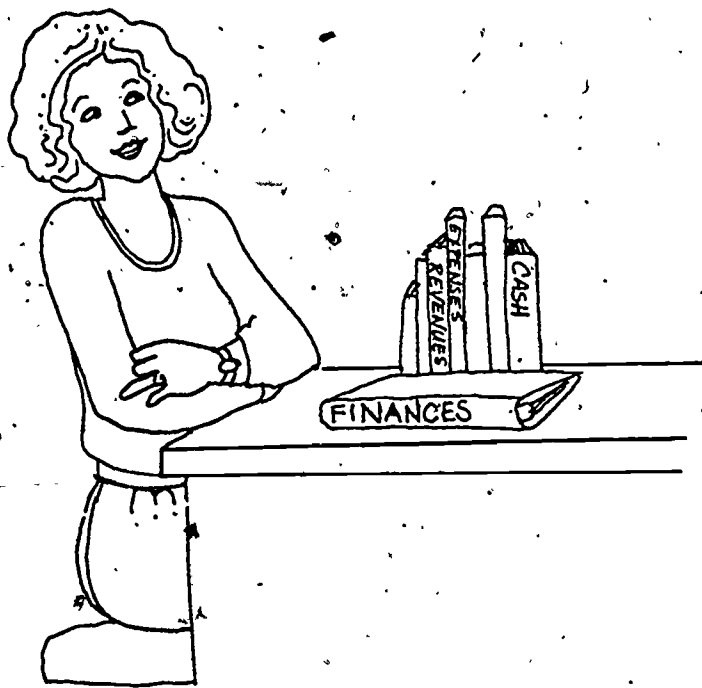
UNIT 8

Keeping Financial Records

Goal: To help you learn how to keep financial records for a bookkeeping service.

Objective 1: Compute how much a client owes you and fill out the bill.

Objective 2: Fill out a daily cash sheet that records money coming into and going out of the business.



THE DENTIST'S TEETH HAVE TO LOOK GOOD,
AND SO DO THE BOOKKEEPER'S BOOKS

Susan discusses how she keeps her own books. "There's an old saying that the shoemaker's children often go bare-foot. For some bookkeeping services this is true, too. I know a few bookkeepers who always turn in their taxes late. All their clients' files are in good shape, while theirs are a mess.

"In the beginning, I had so few clients and was so excited about doing their work that I often left mine for last. There was a month or two that I just forgot about mine. It's ridiculous. It's sort of like a doctor smoking cigarettes. He or she is telling other people what to do and not following that same advice. Now I do my books on time. How else am I going to know how the business is doing?"

Keeping Financial Records

If you are already a student of bookkeeping, this unit will probably seem very simple to you because you have already been introduced to customer billing forms and customer account forms. It is included here for those people who have not yet had any bookkeeping at all. It will give them a chance to "keep the books," if only in a simplified way.

How to Bill

How your bill looks depends on your method of pricing. Every client should have a bill so that you have a record of what you have done for that business or individual.

A bill should also be itemized. You need to write down the reason for every charge. There will be some clients who don't mind "Services rendered..... \$75.00." But there will be others who want to know if this charge is for doing the payroll, for various tax forms, or for quarterly statements.

Keeping Track of the Work

Each client will need a customer account form. The daily time card stating the time spent on each client must be transferred to "Accounts Receivable." Every client has his or her own page with all the charges and time spent clearly entered.

Here is a monthly bill for Simon's Flower Shop. This is an old account of Susan's. The owner has a set monthly fee. Susan also does all of his tax forms, and he pays for that separately.

CUSTOMER ACCOUNT FORM

Customer: Simon's Flower Shop

Rate: \$60/month fee Payment Due Date: April 1

Date	Description	Hours	Amount Charged	Payment Received	Balance Due
3/4/80	Post ledger; trial balance	2			
3/6	Payroll and bank statem.	3			
3/28	Quart. statement	1	\$60 (monthly fee)		\$60
3/28	Tax forms		\$110 (Federal)		
			60 (State)		\$230
4/1	Payment check # 461			\$60	\$170

The Daily Cash Sheet--More Practice

Another form that you might want to practice with is the daily cash sheet. It is filled out at the end of every business day. A sample appears on the next page. On August 14, Susan received a total of \$355.00 in cash. She received checks in the mail for \$91, \$39, and \$105 for past work. She also made out the following checks:

Sally Woodsmith (landlady)	\$300.00
Wholesale Office Supplies	125.00
University Book Store	80.00
The Copy Shop	50.00
Total	\$555.00

DAILY CASH SHEET

<u>Cash Receipts</u>		<u>Cash Payments</u>	
Cash Sales	\$ 355	Salaries	\$
Credit Sales	235	Building Expenses	300
		Equipment and Furniture	_____
		Books and Supplies	205
		Advertising	_____
		Other (printing, insurance, etc.)	50
TOTAL CASH RECEIPTS	\$ 590	TOTAL CASH PAYMENTS	\$ 555

If you look at this, it doesn't seem as if Susan made much money. As you know, most businesses do not look at their profits on a day-to-day basis. For that, Susan will have to look at her monthly and yearly profit/loss statements. That is discussed in the next unit. She will use her daily cash sheets to help her keep monthly and yearly records.

Another record Susan fills out from time to time is the balance sheet. This also helps her see how her business is doing. If you do go into business for yourself, you will need to complete a balance sheet at least once a year.

Summary

1. A bookkeeper should not let his or her own books wait.
2. All customer bills should be filled out monthly--and itemized.
3. The daily cash sheet should be used to record each day's cash receipts and payments.

Learning Activities

Individual Activities

1. Even though Susan charges Simon's Flower Shop a monthly fee, why do you suppose she keeps track of the hours per month she works for him? She's not going to get any more money if she works more hours.
2. Susan told Simon to write out a separate check for his tax work rather than lump it all together with his monthly fees. Why do you think she asked him to do this?
3. Here are the money transactions Susan had for May 16.

Checks received

Willy Smith	\$426.00
Pamela Weisse	78.00
Al Fukawa	455.00

Checks paid

A.R. Typewriter Service	\$560.00
All-Farm Insurance	83.00

Fill out the following daily cash sheet.

DAILY CASH SHEET			
<u>Cash Receipts</u>		<u>Cash Payments</u>	
Sales	\$ _____	Salaries	\$ _____
		Building Expenses	_____
		Equipment and Furniture	_____
		Inventory or Supplies	_____
		Advertising	_____
		Other	_____
TOTAL CASH RECEIPTS	\$ _____	TOTAL CASH PAYMENTS	\$ _____

Discussion Questions

1. Many bookkeeping services will sign checks for their clients. Others refuse to do this. They will make out the check and wait for their client to sign it. Why do you think bookkeeping services do this differently? What are the advantages and disadvantages of each system?
2. Tight Tilly never offers credit. She wouldn't care if you were David Rockefeller. She claims that the bad accounts are not worth it. Loose Larry gives credit as if it were water. He says it makes people feel good about themselves and brings in lots of business. Where do you fall? What would be the things you would look for in a person that would make you decide to offer him or her credit?

Group Activity

Many times people are given credit or not given credit based on people's prejudices. Women and minorities have had a particularly hard time getting credit extended to them. What effect do you think this has on the people who are refused credit?

UNIT 9

Keeping Your Business Successful

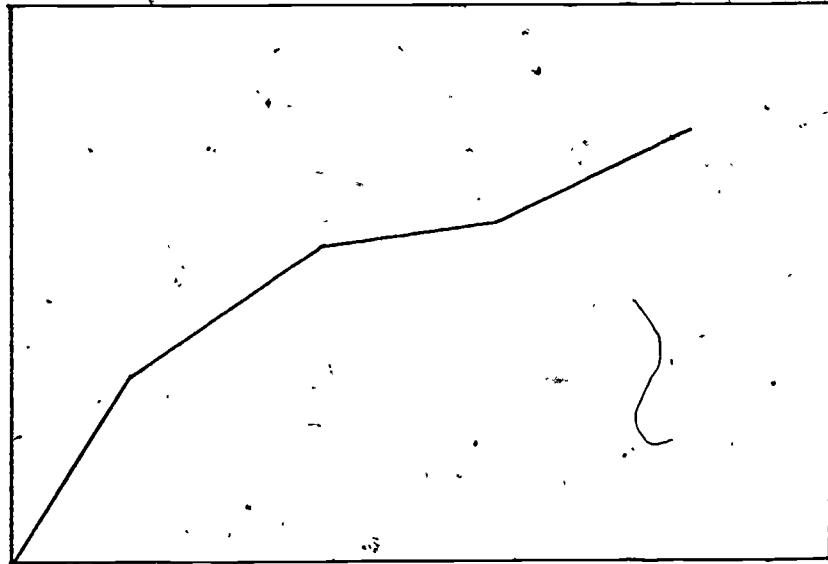
Goal: To help you learn how to keep your business "in the black."

Objective 1: Figure out the net profit, profit ratio, and expense ratio after being given a specific business situation.

Objective 2: Tell at least one way to increase profits in a business that is losing money.

Objective 3: Tell a way to learn more about advanced bookkeeping.

\$100,000
90,000
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000



year 1

year 2

year 3

year 4

YOUR MIND IS YOUR ONLY PRODUCT

This is what Susan says about business growth. "In the beginning I would set up little goals for myself. I'd say, 'I want to have 20 monthly clients by Christmas.' Or I'd say, 'This tax season I want to do at least 30 returns.' I just thought about having more clients, not about doing more for them. I didn't think about changing the kind of service I was offering. Growth, however, doesn't always mean getting bigger. It can also mean getting stronger or getting more efficient.

"I remember last year's tax season very well. I decided to join a computer tax service. I thought, 'There go my profits.' The computer service charges \$14 a form. That idea ended up making me money! I supplied the numbers, and the tax service checked my math and filled out the forms. I spent much less time typing, and that gave me more billable hours. What I thought was going to be a big expense and cut into my profits has turned out to make me more efficient. I'll take on about 100 clients this tax season, as opposed to the 70 I used to do.

"I'm also taking classes to expand my business. When you offer a service, your 'product' is your brain. If you want to offer a better product, you have to improve your brain a little. If you can study advanced recordkeeping, the principles of small business management, or economics, you will be able to offer more and better advice to your clients. Junior colleges, state colleges, and universities all offer courses on these topics.

"My first experience of stepping out of 'strictly bookkeeping' work was for a young couple who came to me with family budget problems. Were they a mess! They hardly kept track of their checks, and they used their credit card as if it were a library card. Now I have about 10 clients a year just for personal budgeting."

Keeping Your Business Successful

As you probably already know, it is your profit/loss statement that is the measure of whether you are financially successful. Hopefully, if you decide to start a bookkeeping service, yours will just be a profit statement and not a loss statement!

The Profit/Loss Statement

If you already know what a profit/loss statement is and how to fill one out, you should probably skip this section. If you are new to bookkeeping, this section, like the one on the customer billing form and daily cash sheet in Unit 8, will give you an idea of exactly what work the bookkeeper does.

A profit/loss statement includes the following information: how much money you received from your clients (this is called revenues); and how much you paid for different bills (this is called expenses). The profit/loss statement also shows how much you had left over after your expenses were paid (net profit).

What Is Net Profit?

It would be wonderful if you could look at all your revenues and call that your profit. But you can't. Once you pay all your bills, you might have made nothing or even have lost money. So businesses also have to figure out their net profit, which is the money left over after expenses have been paid.

Net Profit = Revenues - Expenses

or

Income - Bills.

Figuring Your Profit Ratio

Once you know your net profit, you have one more math problem to do before you know just how successful your business really is. What percent of your income ended up as profit, and what percent ended up going for expenses? Let's look at Susan's profit/loss statement, compute her profit ratio and her expense ratio, and compare all her figures for the two years.

TWO-YEAR PROFIT/LOSS STATEMENT		
	<u>Year 1</u>	<u>Year 2</u>
<u>Revenues</u>	\$20,000	\$30,000
<u>Expenses</u>		
Salaries*	\$ 0	\$ 5,000
Building Expenses	4,000	4,500
Supplies	1,300	1,500
Advertising	1,800	2,000
Other	<u>2,900</u>	<u>4,000</u>
TOTAL	\$10,000	\$17,000
<u>Net Profit</u>	\$10,000	\$13,000

* Susan had no employees during her first year and one assistant during tax season in the second year.

These are the equations for figuring out Susan's profit and expense ratios.

		<u>Year 1</u>	<u>Year 2</u>
Profit ratio =	$\frac{\text{Net profit}}{\text{Revenues}}$	$\frac{\$10,000}{\$20,000} = 50\%$	$\frac{\$13,000}{\$30,000} = 43\%$
Expense ratio =	$\frac{\text{Expenses}}{\text{Revenues}}$	$\frac{\$10,000}{\$20,000} = 50\%$	$\frac{\$17,000}{\$30,000} = 57\%$

How Can More Revenues Sometimes Be Less Profit?

Susan's business definitely made more money in the second year. \$10,000 is a nice jump in revenues. Her net profit also went up \$3,000. Susan wanted her profit ratio to be about the same every year. In Year 2, however, her profit ratio went down.

The question is, why? Susan's expenses rose more quickly than her revenues. This is because Susan decided to expand her business. She took more classes, hired a part-time bookkeeper, and joined the computer service. Even though her profit ratio suffered, this was a good move for her in the long run. As her new worker becomes even better trained, and as she puts her new knowledge to work, she can expect to bring in more clients and make even more money from those added expenses in the future.

Is There an R-2-D-2 in Your Future?

There will always be businesses that need "garden variety" bookkeeping services. But computers will be doing more and more of the routine work in many bookkeeping services.

Rather than seeing it as a threat, you can see a computer as your helpmate, the "person" who does your typing and checks your work. You will still be the person who gives the computer information and the one whom your clients will trust. When you choose to hook up with an

"R-2-D-2," you will have more time to give individualized service to your clients and will be able to free yourself to do more advanced bookkeeping work.

Summary

1. The profit/loss statement tells you just how much profit your business is making as compared with its expenses.
2. An increase in revenue does not always mean an increase in profit.
3. You can expand your services by expanding your knowledge and by using computers.

Learning Activities

Individual Activities

1. Here is a profit/loss statement for Wilshire Bookkeeping Service.
 Compute the net profit (in dollars), the profit ratio (in percent), and the expense ratio (in percent). The sum of the profit ratio and the expense ratio should equal 100%.

TWO-YEAR PROFIT/LOSS STATEMENT				
	Year 1		Year 2	
	\$	%	\$	%
<u>Revenues</u>	\$50,000	100%	\$60,000	100%
<u>Expenses</u>				
Salaries	10,000		13,500	
Building Expenses	7,000		7,000	
Supplies	1,500		1,600	
Advertising	3,500		3,400	
Computer Services	250		1,250	
Other	2,750		3,250	
TOTAL	\$25,000		\$30,000	
<u>Net Profit</u>	\$		\$	

2. Which year was a better one for Wilshire Bookkeeping Service?
3. Name two ways to learn more about advanced bookkeeping services.

Discussion Questions

1. Many bookkeeping service owners do not want to "go big." They don't want to use computers, and they don't want to hire more people. Can you give some reasons for this?
2. Susan's father wants Susan to get out of the business. He claims that since her profit ratio went down during the second year, she isn't much of a businessperson. Pretty soon, he tells her, she'll be losing money. What advice would you give Susan? How much does it matter that Susan is losing support at home?

Group Activity

As a class, write down a list of at least 20 different activities that you would have to do if you were, or were going to be, the owner of a bookkeeping service. Here are some examples to get you started.

Call the telephone company to get hooked up

Check out several places for the best location

Interview people to work for you

Order paper and supplies

After you have your list, see how you feel about doing each of the activities. Give yourself three points if you would enjoy doing that activity, two points if you wouldn't mind doing it, one point if you would do it but wouldn't like it, and 0 if you wouldn't do it, no matter what! There are no "correct" answers. And the person with the most points doesn't "win." It is an exercise for you to see if owning a bookkeeping service might be for you.

SUMMARY

This module has been about owning a bookkeeping service. People with training in bookkeeping can start this kind of business.

To start a small business, you need to do lots of planning. First you have to be sure that owning a small business is right for you. Then you have to decide what services to offer, how to compete, and what legal requirements to meet.

To pick a good location, you have to find out if customers would use your business. Then you have to get money to start. That means showing a banker that your idea is a good one.

Being in charge means hiring good workers and training them. Then you must keep track of your workers' job performance.

Setting prices means figuring out the lowest price you can charge to meet your expenses and the highest price you can charge and still be competitive. To do this, you need information on your expenses and on your competition's prices.

Advertising and selling are the ways you get customers. The good things your business does in town are called goodwill. These are all important ways to help your business succeed.

You should keep good financial records so you will know how the business is doing. Then you can decide if you can expand your business or if you need to cut it back.

In order to own and operate a successful bookkeeping service, you need training in bookkeeping, work experience, and the special management skills we have covered in this module. If you have not had a course in bookkeeping, you should take one before deciding to own a bookkeeping service. You can learn business management skills through business classes, experience, or by using the advice and example of an expert.

You may not make a lot of money by owning a bookkeeping service. However, you will have the personal satisfaction of being responsible for your business and making your own decisions. Think about how important these things are to you in considering whether you should start your own bookkeeping service.

QUIZ

1. List three kinds of people who would probably use a bookkeeping service.

- a. _____
- b. _____
- c. _____

2. List three skills the owner of a bookkeeping service should have.

- a. _____
- b. _____
- c. _____

3. Which of the following is probably the most important for being successful?

- ___ a. Having a good-looking office
- ___ b. Doing error-free work
- ___ c. Knowing a lot of other bookkeepers

4. Which one of the following would a bookkeeping service probably do?

- ___ a. Do math tutoring for an algebra student
- ___ b. Do the payroll for a fabric store
- ___ c. Type a report for a lawyer

5. Which of the following would be a good place for a bookkeeping service?

- a. A small farm town that has no other bookkeeping service
- b. A city of about 35,000 of mostly retired people
- c. A city of about 25,000 with lots of small businesses

6. List at least three parts of a business description.

- a. _____
- b. _____
- c. _____

7. Which of the following should be included in your statement of financial need?

- a. How much you made on your last job
- b. How much you'll pay for your office
- c. How much your parents make

8. Which information would you need to put in a job description?

- a. Salary, benefits, and hours
- b. Personality type, age, and sex wanted
- c. Directions to the office

9. If this were the only information you had, which person would probably be the best bookkeeper for you to hire?

- a. A high school student who works slowly but accurately
- b. A salesperson who wants to be a bookkeeper
- c. A married woman with small children who works fast but makes mistakes

10. Maria Carter's starting expenses for her new book-keeping service are \$24,000. She has \$8000 of her own money to invest and \$3500 from her parents. How much money will Maria need to borrow?

11. List three things to consider in setting prices for a bookkeeping service.

- a. _____
- b. _____
- c. _____

12. Elmhurst Bookkeeping Service has a new bookkeeper on its staff. Which of these tasks should this person be assigned to do first?

- a. Call on local business owners
- b. Give customers advice on family budgeting
- c. Prepare staff paychecks
- d. Prepare routine income tax returns.

13. Which of the following is your most important form of advertising?

- a. Word of mouth
- b. Radio advertising
- c. Magazine ads

14. Which of the following is an example of good "indirect advertising" for a bookkeeping service?

- a. A flier put on cars
- b. Sponsoring a soccer team
- c. Joining a small business owners' group

15. List three types of information needed on a customer billing form.

- a. _____
- b. _____
- c. _____

16. Which statement is most true?

- a. Your daily cash sheet tells you what your credit customers owe you.
- b. Your daily cash sheet records the money you spent on a certain day.
- c. Your daily cash sheet gives you a good idea of the profit you are making.

17. Maria's 1981 records show total sales of \$50,000 and total expenses of \$20,000. Compute the following:

- a. Net profit = \$ _____
- b. Profit ratio = _____ %
- c. Expense ratio = _____ %

18. Maria's profits decrease in her second year. List three things she can do to increase profits.

- a. _____
- b. _____
- c. _____

19. List two things Maria can do to increase sales.

- a. _____
- b. _____

PROJECT PRODUCTS

Entrepreneurship Training Components

<u>Vocational Discipline</u>	<u>Module Number and Title</u>
General	Module 1 - Getting Down to Business. What's It All About?
Agriculture	Module 2 - Farm Equipment Repair
	Module 3 - Tree Service
	Module 4 - Garden Center
	Module 5 - Fertilizer and Pesticide Service
	Module 6 - Dairy Farming
Marketing and Distribution	Module 7 - Apparel Store
	Module 8 - Specialty Food Store
	Module 9 - Travel Agency
	Module 10 - Bicycle Store
	Module 11 - Flower and Plant Store
	Module 12 - Business and Personal Service
	Module 13 - Innkeeping
Health	Module 14 - Nursing Service
	Module 15 - Wheelchair Transportation Service
	Module 16 - Health Spa
Business and Office	Module 17 - Answering Service
	Module 18 - Secretarial Service
	Module 19 - Bookkeeping Service
	Module 20 - Software Design Company
	Module 21 - Word Processing Service
Occupational Home Economics	Module 22 - Restaurant Business
	Module 23 - Day Care Center
	Module 24 - Housecleaning Service
	Module 25 - Sewing Service
	Module 26 - Home Attendant Service
Technical	Module 27 - Guard Service
	Module 28 - Pest Control Service
	Module 29 - Energy Specialist Service
Trades and Industry	Module 30 - Hair Styling Shop
	Module 31 - Auto Repair Shop
	Module 32 - Welding Business
	Module 33 - Construction Electrician Business
	Module 34 - Carpenter Business
	Module 35 - Plumbing Business
	Module 36 - Air Conditioning and Heating Service

Related Resources

- Handbook of Existing Entrepreneurial Materials
- Handbook on Utilization of the Entrepreneurship Training Components