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TOOLBOX

■ Business Advisory Services

How to work effectively with an advisory team

Mismanagement is often the reason for business failure. Therefore, wise business owners surround themselves with the talented and experienced people it takes to make a business survive, grow and prosper.

To run a business properly, you need to have expertise in a number of areas: financial planning, accounting, law, taxation, insurance and investment management, to name a few.

Because it is often impossible for a professional in one of these areas to be an expert in all of the other areas as well, it is

often desirable for business owners to work with a team of advisers.

Naturally, however, you'll need a quarterback to direct and coordinate the advisory team. Typically, this person is your financial planner. What is the first thing a new president of the United States does after being sworn in to office? He builds his cabinet, selecting the most qualified people to advise him on matters in which he himself is not qualified. The president generally makes no decision until he is fully



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apprised by the experts. That's what you need to do. You need to build your own cabinet or team of professional advisers who can help develop and implement your business plans most effectively.

Your team should be made up of people from both inside and outside your company. The insiders may be part of your salaried management staff, while the number of outside advisers is largely a function of cost.

Like any sports team, the inside team should consist of your basic players out on the field at all times. These decision-makers are your key employees and are generally hired on a full-time, salaried basis.

For example, budgets need to be prepared by those who know how to analyze sales and profits, and pricing will need to be

determined by those who know the market.

The outside team, or special players, should be composed of both temporary (project-based advisers) and ongoing advisers who specialize in particular areas. For instance, you may simply need to assemble a temporary team to explore expansion opportunities, or you may need an adviser to provide ongoing support for your corporate retirement plan. Each has a very vital role on your team.

There are some key outside advisers that you will need to engage immediately or at some later date.

Regardless, you should have a working relationship with the following:

- **Financial adviser (preferably a certified financial planner)**
- **Certified public accountant**
- **Attorney**
- **Risk management specialist**
- **Benefits specialist**
- **Banker**

Building your team will be one of your most critical business decisions. You will have to take into account how much advice you need and can afford.

Prior to assembling the team you will want to define your needs and the roles of the advisers. Once that step is complete you will need to find the team members that fit. Be sure to check their credentials. You will want information pertaining to their education, training, licenses and references.

When selecting advisers, you should be aware of their professional designations (such as certified public accountant and certified financial planner), as well as the scope of their expertise. Most importantly, you will want to have a sense how they will fit into your team. Is this new member a team player that will interact well with the various personalities in your current team?

This is vital. The new addition can either continue to build the strength of your team or destroy it.

Starting or growing a business is a complicated process. Do not try to save capital by engaging one individual who can handle many tasks. In the short run this may save you time and money, but in the long run it could be a costly mistake. Create a team of highly qualified experts that will allow your business to flourish.

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