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ACCOUNTING TAX LAW ADVISORY

Creating a Highly Profitable Home Service Business

Presented by

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Who is Gauvreau?

Specialized Accounting, Tax, Law & Advisory firm that focuses on helping entrepreneurs and real estate investors save tax, accelerate wealth accumulation, increase their impact, and build more profitable businesses.

As Seen On





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**“Success is just a
numbers game”**

- Jim Rohn





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3 Focus Areas

1. **How your financial model works**
2. **4 ways to grow**
3. **How to pay less tax**





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How a financial model works

The 3 components that you need to be aware of





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1. Revenue





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2. Costs of delivery (costs of goods sold)





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3. Fixed costs





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How a business financial model works

Current	Total	%
Revenue	<u>\$1,000,000</u>	100%
Variable Costs		
Purchases	\$250,000	25%
Contractors	\$150,000	15%
Vehicle and travel	\$50,000	5%
Payroll	<u>\$250,000</u>	25%
	<u>\$700,000</u>	70%
Gross Profit	<u>\$300,000</u>	30%
Fixed Expenses	<u>\$200,000</u>	20%
Net Income	<u>\$100,000</u>	10%
Valuation (5 x earnings)	\$500,000	

Key Financial Metric's

Avg. monthly fixed costs:
\$16,666.67

Gross profit required to cover
\$200,000.00
fixed expenses:

Gross profit margin:
30%

Break even – required gross profit: **20%**

Monthly break-even sales target:
\$55,555.56



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Ways to maximize financial performance (without growing revenue)...

2 ways:

1. Eliminate direct costs
2. Eliminate non-essential fixed expenses



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Eliminate Direct Costs

- Negotiate lower supplier costs
- Increase employee productivity
- Eliminate non-essential direct expenses
- Introduce employee accountability/report card
- Increase equipment/cost efficiency (get newer with higher output)
- Others...





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Eliminate non-essential fixed expenses

- Eliminate non-used subscriptions
- Eliminate non-effective advertising
- Eliminate excess admin capacity
- Reduce interest expense
- Reduce merchant fees
- Reduce taxes





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4 Ways to Grow Your Business





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1. Increase the number of clients you serve

(increase leads, increase closing conversion)





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2. Increase the frequency of your clients/customers purchases

(or get your existing customers to refer you new business)





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3. Increase the price

“Charge as high a price as you can out loud without cracking a smile”

- Dan Kennedy





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4. Secret weapon...

RETENTION





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Don't Pay Too Much Tax!





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**“92% of business owners pay more
tax than they are legally required to”
- Tony Robbins**





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Business Structure planning

1. **Sole proprietorship**
2. **Partnership**
(US – LLC, S Corp.)
3. **Corporation**
(US – C Corp.)





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Strategic Business Deductions

Initial consideration – if you don't need to spend the money, don't do it. For every dollar you spend, you will only save between 12% and 55%. You are still losing!

- ✓ What do you need to spend money on in the next 6 months for your business (timing)
- ✓ Bonuses
- ✓ Income splitting – those kids deserve to get paid!
- ✓ Other deductions



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THANK YOU

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