

EAGA Business Builder

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Today's speaker was Jeff Sakamoto - Southwest Business Advancement



Mr. Sakamoto's presentation began by him clearing up one major question of the morning. Don't know if it was grudgingly, or proudly, but Jeff stated that he is not a native New Mexican. He is actually from Hawaii. Though not a New Mexican, Jeff observed that this state has quite a few similarities to his home state. Both have sandy beaches, although New Mexico has much more of it; each state has three major cities that are some distance apart; both states are multi-cultural; both have economies that rely substantially on government spending and tourism; and Jeff also wisely observed that New Mexicans and Hawaiians both seem to continually elect politicians that are not smart enough, or not sly enough, to hide what they are actually doing. In 2006, the Sakamotos, Jeff and his wife Cynthia, came to the Main Land for Jeff to attend a conference in Las Vegas (Nevada) . After the conference, they took a side trip, by way of Phoenix, to visit friends in Ramah (that is in New Mexico, but not one of the earlier referenced three major cities). As a side note: some time later, Cindi discovered that she had New Mexico roots via her great great great grandfather who was an Apache from Magdelela. Jeff is rightfully proud of his ancestors as well. His father, Horace T. Sakamoto was a missionary house-boy for 13 years. Jeff's mother, Tokei was a maid and cook. Judging by what we know about the younger Mr. Sakamoto, they were pretty darn good parents. Jeff's professional life in Hawaii includes a variety of experiences - and associations. Such as: The Parker Ranch (established in 1860 and is the largest ranch in Hawaii); Fleming Foods; Deep Sea Water ; IBM; Cynaotec; Duty Free Shopping; and Hale Makua Health Services. His current work, here in New Mexico, is at Southwest Business Advancement. The company is categorized as a " Business Cost Center Efficiency Advisory Service". They provide direct, and informational, assistance with the three main aspects of a company's operation: finance/accounting; Management Information Systems; and investments. Jeff's approach is to emphasize the non-traditional ways to review a business's operation. Most of the time, when someone is asked to explain what their company does, the response involves a description of how the company generates revenue. "We sell widgets". "We provide distribution services". It is very common for owners and managers use to analyze a business' operation primarily from the revenue perspective. The emphasis is how to increase sales. Jeff wants to redirect thoughts more toward an analysis of how the revenues are being used. To him, that is a more telling story of how a company is doing. Mr. Sakamoto's process involves understanding all the intricate details of an operation. The three most important areas (as noted above) all contribute to the potential for success.

- 1) Finance/accounting: For financial data to be useful, it must be substantially available on a timely basis. Within five days after the end of a month. Having the data 90% complete at that time is tremendously more valuable than having it 98% complete by the 15th of the month. Quick analysis allows for quick response. Don't allow departments to operate on 'auto pilot". Require in depth review of how things are actually going. Give thought to what accounting techniques can be tweaked to work best for your company while still staying within the allowable boundaries of FASB regulations [Jeff acquaints that to following the speed limit laws. 65 mph may be the posted speed, but there is also a 5 mph 'wiggle room' that you can safely operate within.]
- 2) MIS: Data gathering –not analysis- is the mandate for this department. They are to gather the data and put it into appropriate buckets for others to analyze. [per Jeff—MIS needs to agnostically get the laundry and sort it into piles of colors; whites; etc. without concern for what the data means. Trying to analyze the info, while it is being accumulated could actually skew what data is gathered. It is someone else's job dissect the implications].
- 3) Investment: Knowing how the money is being spent, and the results of that spending, will not only point management in the correct direction for what equipment would be most beneficial, but can also provide a basis for negotiations that result in getting the best products for the least cost. Research and negotiate everything possible. Jeff continually emphasized the need for looking at the details, not just the overall picture. Like the laundry buckets—colors; whites; etc are good buckets, but even more analysis could be done if there were also buckets for shirts; pants; socks. One of SWBA's clients thought they were getting sufficient information when they reviewed income on a monthly basis. A graph of that data showed the easy to look at increase and decrease of revenue throughout the year. It seemed reasonable to think that fluctuations in highway travel accounted for the variances. When the client grudgingly provided Jeff with revenues by the week (more detailed buckets), the graph turned into a sort of saw blade look, with dramatic, but regular, peaks and valleys. That data implies that revenue substantially increased at the same time as the local residents' paychecks arrived. The data now indicated a much less desirable trend of taking revenue away from the local economy. Analysis of revenue and expense data is important, but so is an analysis of time being spent on various repetitive tasks. If you can find a way to streamline those over-and-over-again jobs, there is substantial efficiencies to be gained there as well. One such task for most businesses is providing credit references to banks and suppliers. Same information gathered every time. Jeff handed out an easy to use form that can be used for efficiently providing those references. Fill in the unchanging data portion of the form, leaving only the minimal amount of unique data specific to each recipient to be entered when ready to submit. Jeff's form, and instructions, are additional attachments to this email. If you think that you could benefit from the advice and techniques that Jeff's company provides, give him a call at 505-503-9551. He can help you with financial analysis and show you how to get more information out of your data.

Business Leads:

Oasis Family Chiropractic is opening at 2624 Coors NW.

New American Funding is opening an office at 630 Riverside Plaza Ln, NW.

I'm The Blind Lady is opening at 12231 Academy NE. In the High Desert Shopping Center.

Philly Steaks is opening at 2520 Juan Tabo NE.

- Lionel Specter—Zeon Signs

Reciprocity:

None Noted today.

The Shout Out section of our web site is still active and available for direct input by members.

◆ Welcome to our newest member:

Kangen Water Center

Category: Ionization equipment sales and service

Representative: Tim Baca

- ◆ Congratulations to Mr. & Mrs. Lionel Specter on their 62nd wedding anniversary (December 24th)
- ◆ Our next meeting will be Tuesday, January 9th. Have an enjoyable New Year's Day celebration and 6 day recovery period.
- ◆ Even though January 9th will be the second Tuesday of the month, there will not be a Board Meeting that day. It will be held on the following week, January 16th instead.
- ◆ It is not likely that Jerry's Leave-A-Card-Take-A-Card 2nd Tuesday will be postponed, so be sure to bring a business card to exchange when you attend on the 9th

Badge Board Greeters

Jan 2nd	NO MEETING - NEW YEAR HOLIDAY
Jan 9th	Paul Losey—Covenant Schools of America
Jan 16th	Tom McMahon—Sunquest Advertising
Jan 23rd	
Jan 30th	
Feb 6th	

Upcoming Speakers

Jan 2nd	NO MEETING - NEW YEAR HOLIDAY
Jan 9th	Jay Weingardt—The Fitness Superstore
Jan 16th	Andrew Sanchez—Ravelco of New Mexico
Jan 23rd	Leon Marler—Marler Manor
Jan 30th	Stan Byers—Milagro Media
Feb 6th	Robert Biernacki—Waterquest Landscaping

Contact information for Executive Director: Mario Hernandez

Phone: 505-239-0259 email: egaed@gmail.com

Postal mail: 8100 Wyoming Blvd NE; Suite M-4 #345;

Albuquerque, NM 87113