YOUR SUMMER STAYCATION COULD BE YOUR MOST PRODUCTIVE ONE YET

The term staycation was coined during the pandemic, when many of us spent our vacations at home.

Some of us still do.

Maybe you're not traveling this summer. Maybe you don't own a cottage. Maybe your plan is simply to stay at home, relax, and recharge.

If that's you, I have a suggestion, especially if you are a business owner.

Use a little of that time to get your life organized.

Gather your important records and documents into one place. It may not sound exciting, but it could be one of the most valuable things you ever do for yourself, your family, and your business.

Start with the basics.

Personal Documents

Make sure you have current copies of:

- ☐ Your will
- ☐ Powers of Attorney
- ☐ Insurance s for life, disability, long-term care, and critical illness

For your home, keep together:

- ☐ Utility bills
- ☐ Your most recent property tax assessment
- ☐ Mortgage documents
- ☐ Home Equity Line of Credit (HELOC) documents
- ☐ Car leases
- ☐ Any other loans or debt obligations

Create a master list of every financial account, including:

- ☐ Bank names
- ☐ Account numbers

- ☐ Branch locations
- ☐ Credit cards

I even take digital photos of key identification documents for every member of the family:

- ☐ Social Insurance Number (SIN) card or record
- ☐ Birth certificate
- ☐ Passport
- ☐ Nexus card
- ☐ Driver's license
- ☐ Health card

For your vehicles, gather:

- ☐ Lease agreements
- ☐ Insurance slips
- ☐ Ownership papers for vehicles, ATVs, boats, etc.
- ☐ Recent warranty information
- ☐ Service records for each of the above

Don't forget important family documents such as the following:

- ☐ Marriage certificates
- ☐ Divorce documents
- ☐ Separation agreements
- ☐ Child support agreements

Important Contacts

Keep a current list of everyone who helps run your life. That may include:

- ☐ Lawyer
- ☐ Accountant
- ☐ Banker
- ☐ Financial advisor
- ☐ Insurance advisor

Include names, phone numbers, and email addresses. I even keep the names of their managers because bankers retire or move on with very little notice.

Also keep contact information for service providers such as:

- ☐ Nanny
- ☐ Landscaper
- ☐ Snow removal contractor
- ☐ Pool company
- ☐ Water delivery service
- ☐ Any other recurring household service

Tax Records

Keep copies of:

- ☐ Your recent personal tax returns (T1)
- ☐ Corporate tax returns (T2), if applicable
- ☐ Notices of assessment (NOA)

If you owed taxes after receiving your NOA, make sure they've been paid and keep proof of payment with the file.

Rental Properties

If you own rental property, gather every related document into one location.

Business Records

If you own a business, create one organized folder containing:

- ☐ Your premises lease
- ☐ All lease renewals and amendments
- ☐ Current financial statements
- ☐ Employment agreements
- ☐ Associate agreements
- ☐ Partnership agreements, if applicable
- ☐ Current Accounts Receivable report

Can you quickly produce a list of prepaid expenses?

Think about anything you have paid for in advance, including:

- ☐ Insurance policies
- ☐ Annual software subscriptions
- ☐ Service contracts

Keep copies of invoices showing those expenses have already been paid.

What about deposits? Did you provide your landlord with the first and last month's rent years ago? How much was it? Was there a security deposit? Where is that documentation?

For Dentists

If you perform large treatment cases, are you holding significant patient deposits?

If a patient has prepaid for a treatment that has not been completed, your records should clearly show:

- ☐ How much has been paid
- ☐ How much treatment has been completed
- ☐ How much remains outstanding

If something unexpected happened and you were unable to complete treatment, could someone else determine those amounts quickly?

Corporate Records

Do you own a corporation? Do you have a minute book?

When was it updated? Do you know what belongs in it?

Every corporation must maintain records of:

- ☐ Annual returns
- ☐ Share transfers
- ☐ Changes to directors or officers
- ☐ Dividends declared
- ☐ Corporate resolutions

Most of us assume our lawyers or accountants are taking care of these things.

Are they?

Ask them.

Don't assume.

And don't get me started about Usernames and Passwords. At one time I had a spreadsheet that printed out four pages of usernames and passwords. I have managed to condense it to three pages, but it's absolutely out of control, but it absolutely must be done.

Yes the password list was password protected in my secret password folder and then one day I forgot the damn password and had to do a reset and you don't wanna know what I had to go through just to do that!

Why Does Any of This Matter?

Because life happens.

Accidents happen.

Life plans can change overnight.

Some of you are already preparing to sell your business and are not nearly as fully organized as you think you are.

Imagine something unexpected happens tomorrow.

Would your spouse know where everything is?

Would your children?

Would your executor?

Would your business partner? Once you have assembled everything, whether paper or digital, scan everything.

If you do not own a home scanner, buy one.

Most of us can do this ourselves without involving our staff.

When it's finished, you are prepared for almost anything.

The Value of Being Organized

I have worked with clients selling their businesses who couldn't locate the large majority of these documents because a former spouse handled them, a business manager had left the practice, or a bookkeeper retired.

Then the scrambling begins.

When buyers, bankers, lawyers, and accountants request documents, they expect them promptly.

If you can't produce them quickly, especially during the stress of a sale, you immediately weaken your negotiating position. You appear disorganized.

Unfortunately, people often interpret disorganization as incompetence. That perception can become very expensive.

They reflect that opinion of you in financial terms.

Often, it shows up as a lower purchase price.

Final Thoughts

If you want to be a strong seller and be prepared for whatever life throws at you, spend a little time during your next staycation organizing your life.

Or ...

You could just sit by the pool with a margarita and completely ignore everything I've just said.

Sorry if that sounds blunt or rude.

I have promised myself to become more direct and less filtered.

Not everyone appreciates that approach.

But for those of you who own a successful business and are paying attention, please know this advice comes from a genuine desire to help you be ready for whatever chapter comes next.

My advice?

PRINT this article and start checking the boxes.

Your future self will thank you.

Have a great staycation!

Click HERE for a FREE copy of the 11th (and final) edition of my book.

Written by:

Timothy A. Brown,
FRI, CEO & Broker of Record

If you appreciate my blunt, straightforward style, please subscribe.

If it's not for you, you can unsubscribe here.

TEXT me @ (416) 520-7420 for a FREE estimate of the fair market value of your practice.

Working with i-Dentists™ since 1984 (*actually, a little bit longer than that!*)

SUMMER HOURS: Tuesday, Wednesday & Thursday 8:00 am to noon EST

CORPORATION
BROKERAGE/ COURTAGE

roicorp.com