

In The LOOP

Your Magazine of Personal Finance

September–October 2018

VENTURE CAPITAL 101

**Reduce Cyber
Liability Risks
for Your Business**

**Tips to Keep Your
Family Business
on Track**

**Sabbatical vs.
Career Break**

**Pro Tips for Perfect
Pumpkin Carving**

**Retirement Savings
at Every Stage of Life**

From the Firm

The Art of Preparation

There's something in the air come September and October, which often ushers in the desire to plan and prepare for whatever may lie ahead of us. From the start of the school year to the change of seasons, and to more weighty issues such as retirement savings and career concerns, fall is often the time that we start considering the next moves we need to make.

The difference between success and failure when addressing our future is often how adept we are at the art of preparation. In this regard, nothing rings

more true than the often used quote from Benjamin Franklin: "If you fail to plan, you plan to fail."

That's why we've packed this issue with plenty of advice to help you prepare for challenges you may face in areas of life related to digital security, financial well-being, personal relationships and even in the realm of pumpkin carving.

We hope you enjoy this issue and encourage you to pass it along to your family, friends and coworkers.

All the best,

Your Trusted Accounting Advisors



In this ISSUE

September–October 2018

Features

4 • Reduce Cyber Liability Risks for Your Business

More information is stored online these days, and as such theft of data is becoming commonplace. Read our tips on how to protect your small business.

6 • Venture Capital 101

You've got the dream and the drive—but if you don't have the dollars, your business is unlikely to get off the ground. Here's a look at what you need in order to attract venture capital for your start-up business.

8 • Tips to Keep Your Family Business on Track

If you have a family business, or you are thinking of creating one, take note of the following tips to help you keep it on track.

10 • Sabbatical vs. Career Break: Which One Should You Take?

We look at the difference between these work-related pauses to help you decide if one or the other may be more beneficial to you and your future career.

Departments

2 • From the Firm | The Art of Preparation

The difference between success and failure is often how adept we are at the art of preparation. We've filled this issue with tips to help you hone your preparation skills in many key life areas.

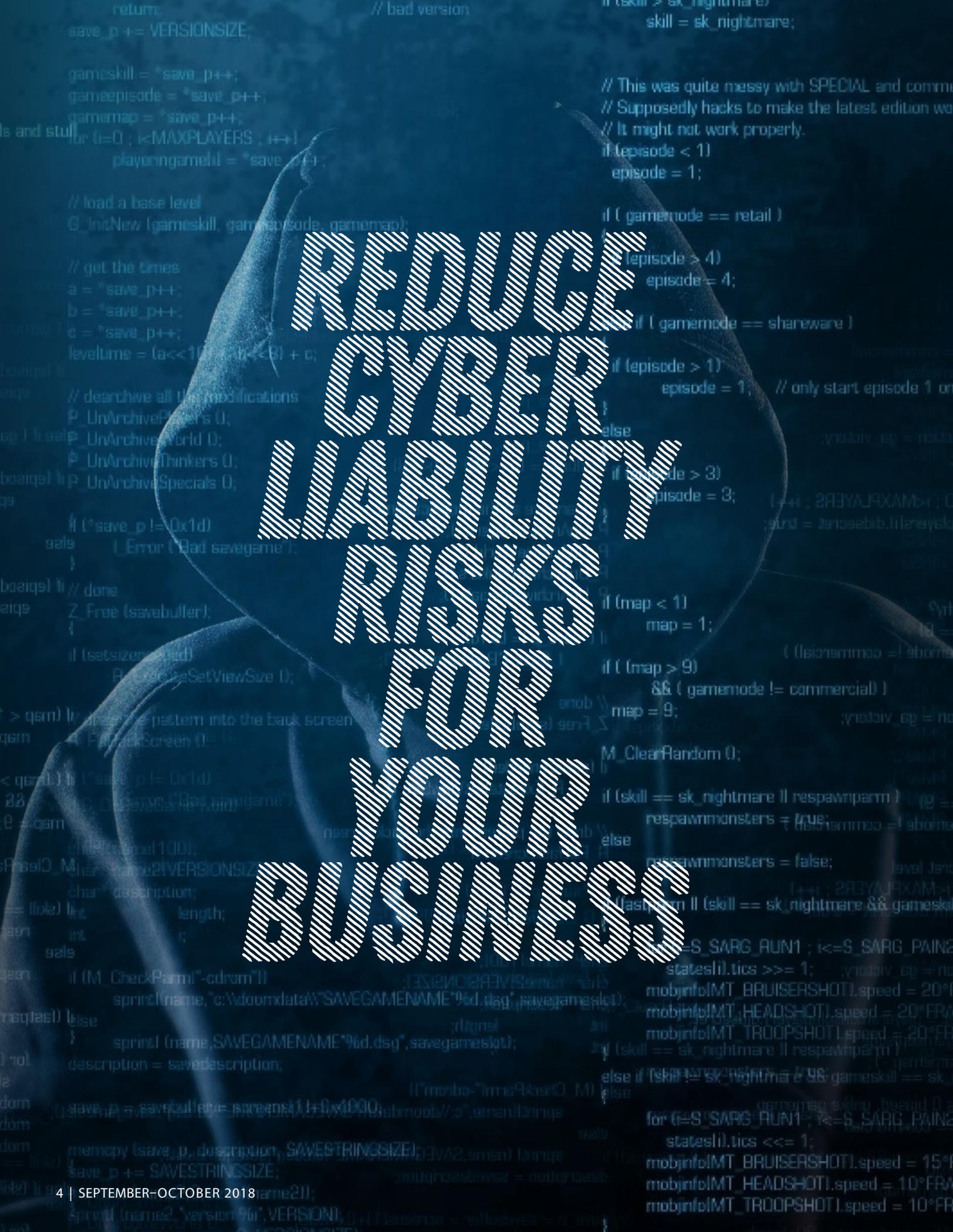
12 • Life & Living | Pro Tips for Perfect Pumpkin Carving

If you want your pumpkins to stand out this Halloween, these tips from professional pumpkin carvers can help.

14 • Mind Flex | Retirement Savings at Every Stage of Life

Proactively preparing for retirement is an essential life skill. Here's some advice to help you do it.





REDUCE CYBER LIABILITY RISKS FOR YOUR BUSINESS



For modern-day business owners, there is more risk exposure than ever before. More information is stored online these days, and as such theft of data is becoming commonplace. Even in small businesses, cyber liability should be an area of growing concern for business owners.

The statistics are staggering when it comes to exposure to potential cyber security threats. And unfortunately, these liabilities continue to expand.

For example, recent research shows that:

- Almost 50 percent of businesses report at least one to five cyber risks.
- The most expensive cyber risk incidents involve fraud, which averages a loss of almost \$500,000 per incident.
- The most common cyber risks businesses face are computer viruses, followed by insider abuse, and then laptop theft.
- In 2012, 36 percent of the business industries surveyed experienced a data breach.

Something as simple as an internet connection and customer or employee information stored on your computer puts your business at risk. If any of this information is compromised, your business is required to notify and reimburse all of the victims if there is a financial loss. In many cases, the business will have to monitor victims' credit for a period of time, and general liability insurance does not pay for these types of losses.

Every business is different and every business owner has a different level of comfort when assuming cyber risks. Even with the most comprehensive cyber liability insurance coverage, your business still has the responsibility to improve your internal privacy and security measures. Ultimately, prevention is still the best form of insurance against a data breach.

Here are a few examples:

- 1 Minimize the risks and costs associated with cyber data by reinforcing and updating internal controls. Using encryption software on all computers and online communications/transactions is key.
- 2 Implement formal bring-your-own-device policies to align with other company protocols for data security.
- 3 Securely store and dispose of records and equipment.
- 4 Conduct regular employee awareness programs and breach prevention training.
- 5 Consider the security levels of supply chain partners. Often, breaches occur through security gaps in supplier or contractor controls.
- 6 Enlist technology experts. Protecting against data breach is a daunting task for most business owners. Outside technology specialists can help identify risks, brainstorm precautionary measures and implement effective controls based on the needs of your individual business and industry.

Given the increasing complexity and likelihood of data breaches, you may also find that a cyber liability insurance policy will provide added security and peace of mind. Cyber insurance, unlike traditional business liability insurance, is designed to meet the needs of companies in the digital age.

Consider talking with a trusted insurance professional about mitigating your risks in this area. ■

Source: riskmanagementmonitor.com and kahnlitwin.com

VENTURE CAPITAL 101



You've got the dream and the drive. But if you don't have the dollars, your business is unlikely to get off the ground, much less succeed over the long-term. That's why the owners of many fledgling businesses look to venture capital (VC) funds for "seed" money. Here's some advice to help you determine if this is the right path for your start-up business.

CONTEMPLATE THE LOSS OF CONTROL

In exchange for funding your business, venture capitalists will usually have a degree of control over company decisions. They may also negotiate an ownership stake. The bottom line: If you want to rely on VC for the cash to move your business forward, you may have to deal with less than total control over it.

OFFER FRESH IDEAS WITH MARKET POTENTIAL

For venture capitalists, your business likely represents opportunity, but it also represents risk. That's why your business will be evaluated by a VC firm in terms of how unique it is, how much market demand there is for your product or service, and how difficult it is to duplicate. After all, if the barrier to entry in the market you are targeting is high, there is less chance that your business will be usurped by a competitor before you can make it profitable.

KNOW THE VALUE PROPOSITION OF YOUR BUSINESS

Legitimate venture capitalists are experts in what makes a start-up business worthy of their investment. You should be able to articulate to them why your business idea is better than the others competing for their attention. Having a compel-

ling value proposition is critical not only for VC funding, but to help you sharpen the focus of your business as well.

HAVE A PLAN TO SCALE YOUR BUSINESS

A key element of your value proposition is how scalable your business is. This generally comes down to the size of the market you are going after and whether there will be enough people to purchase what you have to sell over the long-term. VC investors want to see a market that is sizable and has sustainable growth.

DON'T UNDERESTIMATE THE VALUE OF A GREAT TEAM

Having the right team is one of the most important factors in attracting venture capital funding. While many start-ups are still prototyping their product and analyzing the market, they likely already have a few key employees in place. Venture capitalists will often gauge how successful they think a company will be based on the experience, intellect and skill of those running the business.

Starting a business from scratch is not for the faint of heart. However, if you apply the advice above, you should have a solid understanding of what it takes to attract venture capital funding. ■

Source: Mashable.com

Tips to Keep Your **Family Business** *on Track*

It's an astounding and scary statistic: Ninety percent of family businesses do not make it to the third generation according to ***inc.com***. However, given the personal and professional struggles that are unique to family businesses, it's hardly surprising. If you have a family business, or you are thinking of creating one, take note of the following tips to help you keep it on track.



Own your family dynamics

Working with family sometimes means that personal matters make it into the office. Boundaries must be set up front in order to keep personal drama at home and limit the risk of creating a negative company culture.

Find a family/business balance

Just like any other business, your family of employees will sometimes struggle to evenly divide their focus between what is happening in the business and what is happening between family members. Accept that there will be times when you need to focus more on business and less on family and vice versa.

Create an external advisory board

Every business can benefit from having the objective opinion of outside experts to help them navigate challenges and changes. This is especially true for family businesses. Establishing an external advisory board of people you trust and who possess complementary skills and experience can be invaluable in helping you manage your business.

Be clear on individual goals and priorities

It's important to remember that

each family member has their own goals and priorities, so it's a good idea to check in with everyone at least annually. Not only will everyone feel that they are valued and "heard," but it also enables you to identify things that could impact your business such as those reaching retirement age, financial needs and business succession.

Don't forget to have fun together

This may well be the hardest piece of advice to abide by. To protect physical health and mental fitness, everyone needs a break from work—even family members who work together. Keep this in mind when you see your family members outside of work. Don't make every conversation or family gathering a planning or venting session for your business. It is important to spend time together and simply enjoy familial relationships.

Family businesses can certainly bring you closer to your relatives when all is going well, but there are likely to be times when things get challenging. You don't want good family relations or business success to be exclusive of each other. Implementing the tips above will help you to avoid some of the common pitfalls family business owners face. ■

Source: inc.com

Don't Miss These Tax Deadlines



Keep these dates handy to avoid paying penalties

PARTNERSHIP/S CORP TAX DEADLINES

March 15, 2018
Partnership/S Corp Filing Deadline

September 17, 2018
Extension Deadline

C CORP TAX DEADLINES

April 17, 2018
C Corp Filing Deadline

October 15, 2018
Extension Deadline

ESTIMATED QUARTERLY TAX PAYMENT DEADLINES

1st Quarter 2018
April 17, 2018

2nd Quarter 2018
June 15, 2018

3rd Quarter 2018
September 17, 2018

4th Quarter 2018
January 15, 2019

INDIVIDUAL TAX DEADLINES

April 17, 2018
Individual Filing Deadline

October 15, 2018
Extension Deadline

IRA CONTRIBUTION DEADLINE

April 17, 2018

Please visit www.irs.gov for additional updates throughout the year.

Sabbatical vs. Career Break

Which one should you take?

The terms *career break* and *sabbatical* may seem interchangeable in relation to time taken off from work to pursue other goals. They do, however, have different meanings and may have a very different impact on your career. Here, we break down the differences to help you decide which is more beneficial to you.



What is a sabbatical?

A sabbatical is generally based on a formal system within an organization. Your employer may have a sabbatical policy that allows employees to take an agreed upon amount of time off while retaining the security of returning to their job. If you are feeling burned out but still want to return to your company, a sabbatical can be a useful way to reassess your career and how you want it to progress when you return.

How do I take a sabbatical?

When weighing the decision to take a sabbatical, be sure to research if your company has a sabbatical policy and what the maximum duration is. Also, check to see if there are any forms to complete, whom you need to inform and what benefits you will still be entitled to.

How do I tell my boss?

It's critical to be prepared at the time you decide to discuss a sabbatical with your supervisor. You'll want to cover the specific duration of your sabbatical and how your workload can be managed. Think about other questions you may be asked and have your answers ready.

What is a career break?

Essentially, a career break is a self-directed hiatus from your job. If your company doesn't have a sabbatical policy, you may have to resign in order to do it. A career break can be useful if you want a career change without feeling obligated to return to your old job after a few months. You may use this time to travel, freelance or develop new skills in a different area.

How do I tell my boss?

Since taking a career break is more of an independent move, you really don't have to tell your boss anything...unless you want to try to create more of a sabbatical situation where you return to work after a certain time. Of course, you never want to burn bridges, so be upfront about what you are doing and keep in touch with your previous employer after you leave.

How can I stay current during a career break?

Part of the beauty of a career break is that it gives you freedom and flexibility to do what you want to do. But that can also make it hard to be prepared when you are ready to go back to a job or start a business as a self-employed individual. A few tips:

- Keep your resume, LinkedIn profile and referral network active. In other words, don't go completely "off the grid," as this can make it very hard to get back in the game.
- If you are going to take another job, be prepared to sell the benefits of your career break from a potential employer's perspective.
- Keep a list of contacts with whom you may be able to network for job opportunities or collaborative projects.

If you feel like you are at the point in your career where you need to reassess what you are doing, you may want to consider either a sabbatical or a career break. The tips above can help you determine which one might be best for you and how to ensure that the time you take off is beneficial for you—and your future career. ■

**PRO TIPS FOR
PERFECT
PUMPKIN
CARVING**



Fresh pumpkins start appearing in stores about September. And by October, they're a welcome sign that fall has "officially" arrived as they adorn porches and harvest-themed displays. If you want your pumpkins to stand out, you'll need to up the ante when it comes to carving. These tips from professional pumpkin carvers can help.

TIP 1: No need to buy fancy tools

According to expert Marc Evan from Maniac Pumpkin Carvers, you don't need to invest in anything more than the simple kits you see at the grocery store. He suggests that for detailed work you use paring knives and linoleum cutters. You can also raid your kitchen drawers for a lemon zester, which helps create different textures on your pumpkin. A melon baller is a good tool for hollowing out your pumpkin as well.

TIP 2: Avoid picking a perfect pumpkin

While the temptation is to try to find the "best" pumpkin (i.e. round and smooth), you may be missing out on the creative inspiration of a more visually unique gourd. No matter what your pumpkin looks like, you want to make sure that it is fresh so that you can display your masterpiece longer. The pros advise looking for one that is solid to the touch with a sturdy stem.

TIP 3: Start from the bottom

Carving experts agree that cutting open your pumpkin from the bottom is helpful because it reduces the amount of seeds and pulp that you have to pull out (you can simply cut it off from the bottom plug when you remove it). The exception is if you are carving a classic jack-o'-lantern. In this case, cut from the top so you can still put a candle or tealight inside.

TIP 4: Don't stop scraping too soon

If you plan to carve your pumpkin using a stencil or pattern, you need to make sure that you scrape out your pumpkin thoroughly to remove any excess "strings" and to reduce the thickness. This will also help to reduce the amount of time you spend carving.

TIP 5: Trace your design before you carve

If you have an intricate pattern or design, be sure to clean the exterior of your pumpkin. Experts suggest using sewing transfers to trace the pattern or a ballpoint pen. This will make it much easier to carve because you will have your traced image to follow.

TIP 6: Keep your carving slow and controlled

Don't rush your pumpkin carving or pull out the pieces you've cut as you go (doing so will make your pumpkin unstable). Once you are done carving, you can gently poke out the pieces from the inside. If you need to take a break or spread your carving time over a day or two, simply wrap your pumpkin tightly in plastic wrap and put it in the refrigerator.

With the tips above, having a pumpkin that is a true expression of your seasonal creativity is much easier. You may even want to hold a pumpkin carving contest with other Halloween enthusiasts. Be sure to take some pictures of your handiwork to immortalize your creation! ■

Source: TasteOfHome.com

Retirement Savings at Every Stage of Life

Saving for retirement requires a good deal of preparation—more so than just about any other area of life. Many people find this to be an overwhelming task, wondering how much to save, when to start and what is a good spending-to-saving balance. This article and corresponding infographic offer a breakdown of retirement goals by age to help make managing your retirement a bit more easy.



IN YOUR 20s

Save approximately 8 to 12 percent of your salary. Prioritize 401k contributions to reduce your taxable income. In addition, Roth IRAs can be used to diversify investments.

IN YOUR 30s

Avoid increasing your cost of living as your salary increases and don't dip into your 401k to buy a home. Aim to hit the maximum contribution in your retirement accounts each year.

IN YOUR 40s

Always pay yourself first by continuing to aggressively fund your retirement accounts, even if it means you contribute less to college savings or your kids have to take out a student loan. Continue to be prudent about paring back expenses when you can.

IN YOUR 50s

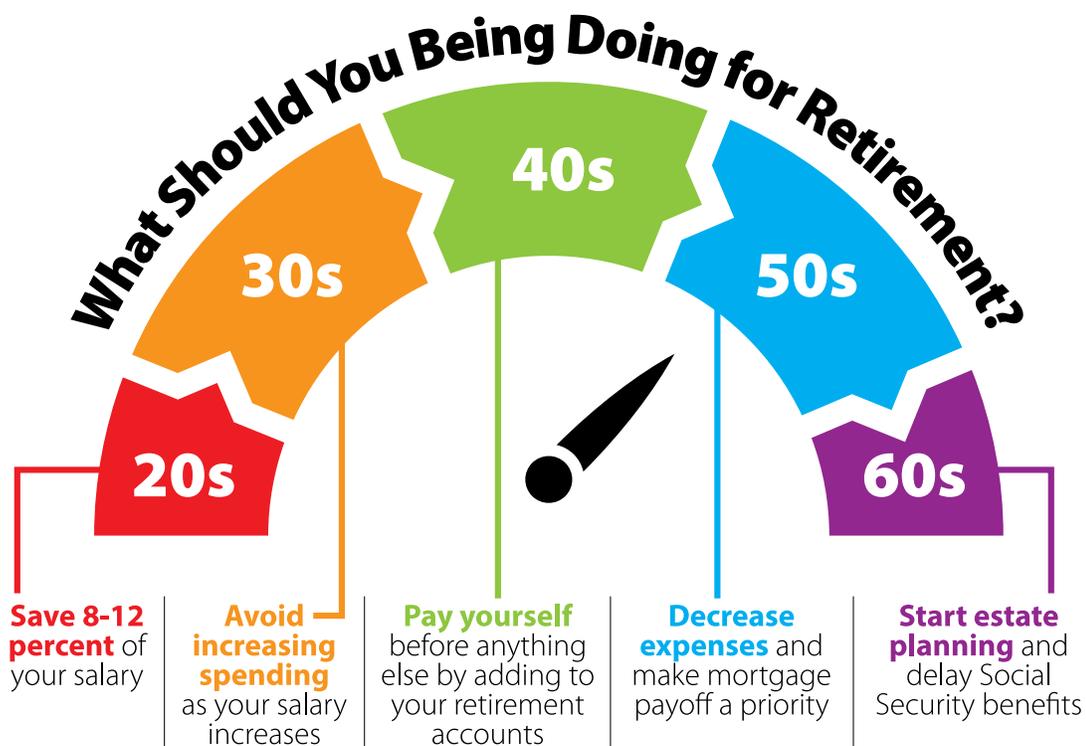
Now is the time to really decrease your expenses and make paying off your mortgage a priority. You likely have enough "stuff," so use any extra funds to shore up your retirement savings by taking advantage of the IRA "catch-up contribution."

IN YOUR 60s

If you haven't already, begin estate planning and do everything you can to avoid using your Social Security benefits before age 70 (doing so will significantly increase your benefits). Now is also the time to look at your budget and do a cash flow projection to see how long your current assets will last.

No matter what stage of life you are in, planning and preparing for retirement is always a wise strategy. Your future retired self will certainly thank you for it! ■

Source: nbcnews.com





A Modern Firm for Today's Clients

We offer innovative, collaborative accounting and advisory services powered by our advanced online platform—because we know that's how today's clients want to work.

Experience the difference of working with a Modern Firm.

Visit us online today!