



HOW TO GROW YOUR BUSINESS  
AND BEAT THE COMPETITION: A  
GUIDE FOR ARCHITECTS,  
ENGINEERS, AND DESIGNERS

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## Introduction

**Thank you for taking the time to read my eBook, *How to Beat the Competition and Grow Your Business: A Guide for Architects, Engineers, and Designers*.**

I created this eBook as a basic guide to aid engineers, architects, and designers in their desire to better understand the financial aspects of operating a business. It should give the reader an idea of the practices that separate thriving businesses from those that merely survive.

Fortunately, these five practices are not very intricate or difficult to comprehend. Unfortunately, most business owners don't follow these practices, resulting in lost revenue, an increased tax bill, and a sketchy idea of the firm's financial health.

I must provide a warning here: as good as these practices are, in the wrong hands they can do more harm than good. I'll use a metaphor to illustrate my point. Let's say that you're a structural engineer and someone comes to you asking you to provide details for a retaining wall. After discussing the project with your client, he decides he doesn't need your help because 1) it's expensive, 2) he played with LEGO as a kid, and 3) constructing a retaining wall in real life can't be too much different. Would you want to live on the hillside above his retaining wall? Probably not. In the same manner that a poorly-constructed retaining wall cannot be relied upon to support the hillside above it, poorly-constructed practices cannot be relied upon to support a business.

The good news is that if you find these processes too difficult or time-consuming to implement, I'm here to help. I specialize in bookkeeping for architects, engineers, and designers, and I am fully capable of handling your books and ensuring that these practices are followed, providing you with a solid financial foundation for years to come.

If you decide that you would like to schedule a free consultation to discuss your bookkeeping needs after reading this report, please visit my [calendar](#) or [contact](#) me. Most consultations run about 30 minutes, but I provide you with a full hour just in case.

## Practice #1: Budgeting

We all know the word “budget”, and if you were in a room full of business owners, I can almost guarantee that all of them would say they budget. However, if you asked to examine that budget, 9 out of 10 wouldn’t be able to produce it. Most businesses think that simply producing a profit means that they are effectively budgeting. Nothing could be further from the truth.

We pay a lot of lip service to the benefits of budgeting, but very few people actually take the time to create one. Of those who do, many never follow through with it. If so many people realize the importance of financial planning, why do so few bother to do it?

I believe it’s because, while we emphasize the importance of budgeting, few people ever learn how to create a budget. Some business owners simply compile a list of their monthly expenses, believing this constitutes a budget, but it doesn’t – it’s just a list of operating expenses.

The importance of budgeting to the current and future health of a business cannot be overstated. When you as a business owner have a clear idea of both where you are *and* where you’re headed, it gives you the ability to respond to any unforeseen events with a clearheaded confidence that stems from proper planning. You will find that effective budgeting allows your firm to weather the financial meltdowns and fiscal storms that pound other practices into dust.

Remember – sticking to a budget is just as important as developing it; even the best budget ever created doesn’t do much good if it isn’t followed. Successful business owners create a budget, monitor it, and make adjustments to bring their business into line with their stated goals.

As a bookkeeper, I have the skills to help you create, monitor, and stick to a budget, while also using ratio analysis to determine how your company’s finances relate to the average AED firm.

## Practice #2: Maintain Control of Your Banking and Bookkeeping

How would you feel if [one of your employees embezzled \\$300,000](#) from your payroll account?

The more individuals who have full access to your accounts, the more susceptible your business is to fraud. This exposure to fraud comes not only from employees, but from multiple access points (some of which have lower security than others) being monitored by hackers. Most employees working within a company who have access to the accounts would never dream of stealing money from their employer, but why take unnecessary risks?

Successful architects, engineers, and designers create and enforce controls over their banking and bookkeeping. The owner should maintain responsibility for check signing, credit card transactions, and any transfers between bank accounts. I never ask for or accept check signing authority or unrestricted access to bank accounts; that authority should rest in the hands of the owner, not with the bookkeeper.

Just as important is maintaining an up-to-date check register. Your bookkeeper should have a list of every check that is written with the check number, amount, payee, and purpose. If duplicate check numbers show up in your account, or if a check that hasn't been written yet is cashed, you'll be able to cut the fraud off at its source before it does more damage.

For a more accurate picture of the costs and risks of fraud to small business, read [this Quickbooks report](#) on the 2014 Global Fraud Study.

## Practice #3: Keep the Books

This one may seem like common sense, but business owners often don't keep their books, or have a sporadic approach to the practice.

Think back to all the education you've had, and ask yourself "How much did I learn about accounting, bookkeeping, and finances?" The answer, more often than not, is "not much." Becoming a professional engineer requires many years of rigorous courses, physics, and higher-level math. Architects and designers need to complete numerous courses that involve hand-drafting, design history, calculations, and aesthetics, but none that require bookkeeping. Therefore, it's not very surprising that the more mundane aspects of running an AED business are often overlooked

Keeping the books up-to-date allows you to know at any point in time where your business stands. Did your drafting printer just die with nary a word of warning? Do you have the money in the budget to purchase a new one? Is it better to repair it? Can you afford to send your .dwg files to a printing service while this one is down? Or do you need to drag that old single-roll printer out of storage and hope it hasn't given up the ghost as well? The only way you'll have firm answers to these questions is if your books are in good order.

I pride myself on working consistently and keeping the books current. With the systems and controls I have in place in my practice, I can assure my clients that any unforeseen financial decisions they must make will be based on an accurate understanding of the current states of their accounts.

## Practice #4: Use a Professional Bookkeeper

“My spouse does the books.”

“My office manager does the books.”

“My secretary does the books.”

This one is a step above Practice #3, but still leaves a lot to be desired. Due to the wide availability and ease-of-use of bookkeeping software, many business owners believe that bookkeeping can simply be tacked onto someone’s existing workload.

When bookkeeping is added to someone’s job description, they typically do the best they can, but without the specialized knowledge that comes with being a professional bookkeeper, novices can’t provide the necessary expertise to really “put the shine on the apple.”

Most engineers and architects wouldn’t allow an office manager or a secretary to manage their investment portfolios, but they trust them with their business accounts, which represent a much larger percentage of their financial persona than investments ever will. Most owners typically hire a professional to handle their investments, and it also makes sense to hire a professional to handle the books.

In addition, every business owner needs to learn how to analyze financial statements to properly monitor the health of their business. Many have never learned this skill. Employees who are not specialized bookkeepers rarely have this knowledge either, meaning they cannot impart it to the owner.

A professional bookkeeper can show you how to read financial statements, and the importance of the numbers they contain. The added benefit is that if a bookkeeper has done a good job of educating you on how to read and interpret statements, you’ll also be able to tell by the numbers if they are taking good care of your business.

I have the ability not only to ensure that my clients’ books are well taken care of, but also the ability to teach them how to *know* that I’m doing just that. It’s hard to hide shoddy bookkeeping with clients who know how to read the numbers.

## Practice #5: Use a Bookkeeper Who Specializes in AED Firms

The bulk of bookkeeping for service businesses is the same across industries: there just simply isn't much variation in account reconciliation, financial statement preparation, and record keeping. There is a percentage of every industry, though, that is unique. AED firms are no different.

For instance, there are special sections in the IRS tax codes that deal specifically with architects and engineers. Ultimately, your accountant must determine if you qualify for these deductions, but with improper or generalized record keeping, you could be missing out. A bookkeeper who specializes in assisting engineers and architects can guarantee that their clients' books are in proper shape to maximize tax deductions.

Furthermore, when a business wants to take out a loan, banks look for specific numbers and ratios in the financial statements of a business that are unique to that industry. With improperly categorized expenses, or ill-prepared books, your business could be missing out on lower interest rates, or even loan approval. Using a bookkeeper who specializes in architects, engineers, and designers assures that any loan officer who reviews the books has all the information she needs when considering your application.

As I'm sure you know already, I specialize in helping architects, engineers, and designers. It is my job as an AED bookkeeper to ensure that I know the industry inside and out, and that I stay current on my knowledge. This helps my clients avoid financial headaches, spend less time being accountants, and more time being architects, engineers, and designers.



## Conclusion

All this information may seem overwhelming to you, and that's perfectly fine. The requirements for maintaining quality financial information of a business are often surprising to owners, even those who have operated enterprises for decades. Simply put, our business culture places too little emphasis on sound recordkeeping and financial planning, and too much on personality and individual magnetism. "Sell the sizzle, not the steak!" people like to say, but if you're selling steaks from a farm that's built on a toxic waste dump, it doesn't matter how great the sizzle is.

I have made architects, engineers, and designers the focus of my bookkeeping practice because I've seen firsthand what poor financial planning does to an engineering firm. When I was a bookkeeper at an engineering office, I kept the books, ensured the accounts were reconciled, and generated financial reports to show the real state of the business, but our firm wasn't interested in financial planning. The company philosophy was that we'd always been profitable before, so we'd always be profitable in the future. Thus, when the Great Recession hit, our firm was a sinking ship without a lifeboat in sight.

Don't let the same thing happen to your firm. I can help you implement the above practices and ensure that they are followed through. Schedule a free consultation through my [calendar](#) today so that we can discuss your financial needs. If you have questions, or don't feel comfortable scheduling a consultation just yet, feel free to email me at [ben@bookkeeping4engineers.com](mailto:ben@bookkeeping4engineers.com). I make every effort to respond to all emails within 24 hours. If you'd rather speak on the phone, you can call me at 855 633-3453.

A word of warning: don't wait to contact me. I intentionally limit my number of clients so that I can provide the highest level of service to each one, and I can't guarantee that I will be offering consultations or taking on new clients even a week from now.

Thank you for reading my report. I hope you have found the information helpful.

Ben Warga