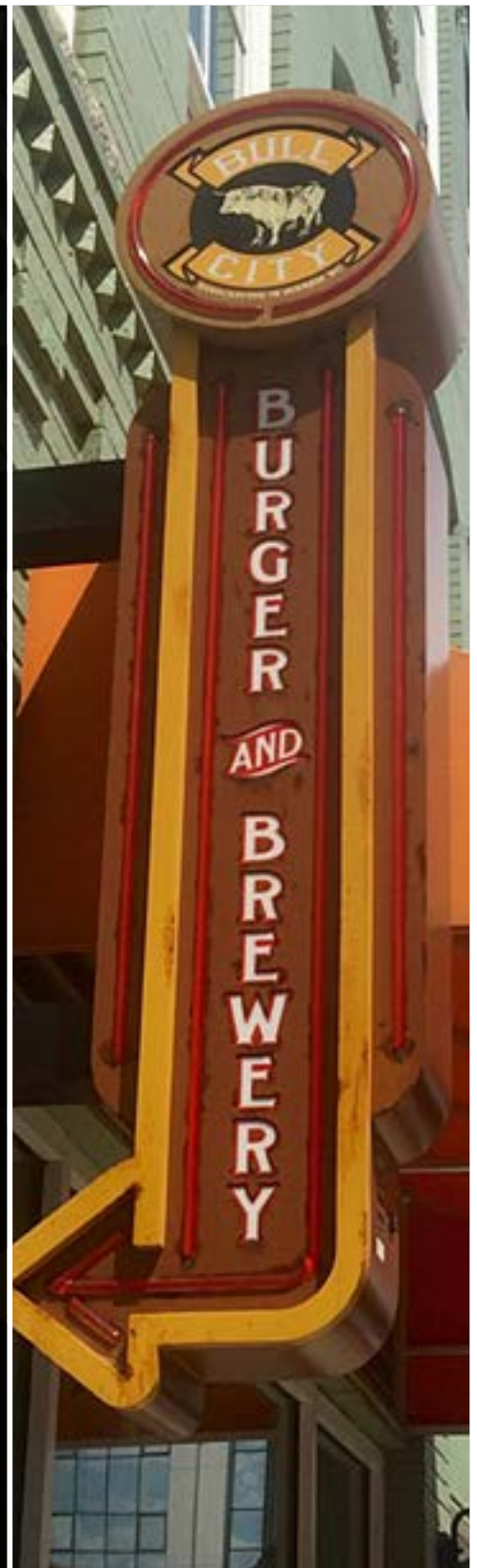


CASE STUDY: A RESTAURATEUR'S SECRET INGREDIENT: HIS CPA



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It's midnight. You're struggling with a decision about a major expansion that could transform your small business into a powerhouse — or bankrupt it, if your plans don't work out as you're hoping. Or you've spent hours trying to pull together some financial information that your banker has requested, time that would have been much better spent running your business. Who can you turn to for feedback or technical advice in situations like these? The answer: Your CPA.

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GAINING PERSPECTIVE FROM A TRUSTED ADVISER

Financial adviser, mentor, therapist. For chef and entrepreneur Seth Gross, his CPA, Scott Ashton, plays all those roles. “He’s someone I can talk to when I need advice, and he always asks the right questions,” Gross says. What skills and advice can a CPA provide your growing small business? Gross’ story demonstrates the many ways a CPA can help you achieve small business success.



STARTING WITH A SOLID FOUNDATION FOR GROWTH

Any CPA will tell you that business success starts before you begin your business; you must have an idea of where you want your business to go. With a solid business plan, you'll understand what steps to take to get there. A CPA can help develop that plan and provide guidance on how to implement it. Establishing the right legal structure, acquiring financing, setting up a recordkeeping system and even choosing a bookkeeping system are just a few of the issues with which a CPA can assist.

Before he even got started, Gross had a vision for building a restaurant family serving a growing and diverse community in Durham, NC. Knowing these ambitions allowed his CPA to give sound advice on how to get to the next level. When he met Ashton through one of his investors, Gross already had opened his first venture, a wine shop in Durham. He was in the midst of selling off his stake in that shop and launching a restaurant, Bull City Burger and Brewery.

The CPA offered advice on various choices for the startup's structure and helped Gross address details that ranged from partnership considerations to QuickBooks implementation.

Ashton's feedback is based on 30 years of working closely with small businesses and helping entrepreneurs achieve their dreams. "I've learned a lot from them by listening and asking questions," he says. Ashton had the financial acumen and business experience to know how to guide Gross forward.

"We talked about issues such as compensation planning for Seth and the best way to repay his investors," Ashton explains. "We also put together all the necessary documentation so that Seth, as the owner/operator, knew what to expect going forward. It's best to get all the agreements in place at the outset, so you don't have to negotiate later."



HELPING A BUSINESS GROW AND CHANGE

After two years, Gross was able to branch out, opening another restaurant, Pompieri Pizza, adjacent to Bull City Burger and Brewery in Durham. “I relied on Scott for guidance on crucial cash flow concerns and other issues” to make it happen, he says. With two successful establishments, Gross consults with Ashton on potential next moves and on keeping employees and investors happy.

Gross is planning on opening more restaurants. “Scott was instrumental in making the first two restaurants come together, says Gross. “I have no doubt our relationship will once again be utilized as we expand further. Each time the business expands, plans seem to require more financial expertise and knowledge from Scott because the system is growing in complexity.”

Gross has begun packaging Bull City Burger and Brewery’s beer for retail sale in venues outside of the restaurant, opening up an additional revenue stream for Ashton to monitor. Other upcoming challenges will allow the entrepreneur and his CPA to innovate further and create an umbrella organization to hold Gross’s business assets in one parent company.

“We’re looking to create a centralized accounts payable and receivable system to handle the myriad of daily bills and invoices that additional restaurants bring, and a parent organization will bring all the business entities into that single canopy,” Gross explains. “My goal is not to create an empire, but to continue the mission of weaving food philosophy and food quality into the community fabric in a sensible and smart way to ensure survival and sustainability.”



BUILDING AN IMPORTANT RELATIONSHIP

Throughout the process, the CPA's help has been critical. "If you're an entrepreneur, you have to do it all," Gross says. "That can make it hard to earn money, which is why your relationship with your CPA is so important. I have lots of ideas and I'm constantly vetting them with Scott to see if they make sense financially. I can't be an expert on everything, so it's great to have Scott around for advice."

He found Ashton by soliciting recommendations from other entrepreneurs. "Ask a lot of questions," he advises business owners who are seeking a CPA. "Don't be afraid to sound like someone who's not a CPA." In fact, one of the highlights of the relationship for Gross is the chance to discuss his dreams and receive Ashton's perspective and benefit from his financial expertise. "If you have a vision, a CPA can help you plan the steps to get there," he says. Ashton has helped him put together a 10-year plan that offers a perspective on present decision-making. "You can't get there if you don't know where you want to be," Gross says. "You need a good business plan. I can see immediately if a decision I make today may not fit into my 10-year plan. I wouldn't know that if the plan weren't in place."

Before opening his restaurants, Gross had not worked closely with a CPA. "I was surprised how close we became as friends and professionals," he says. "Whenever I pick up the phone, I get instant feedback, or Scott will follow up with detailed research later. It's been a very positive, helpful relationship."

What can your CPA do for you? Why not share your ideas and questions with your local CPA. You may find that he or she will become the secret to your small business's success.

