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TITAN BUSINESS DEVELOPMENT GROUP, LLC

A Few Words on Brick-and-Mortar Establishments



Did you know that:

- ◆ Unhappy customers *will* tell 9-10 people about their experience.
- ◆ Conversely, a happy customer *may* tell 4 – 5 people.
- ◆ One in 4 customers will have a problem with something.

Beyond the product or service, itself, the quality of the physical environment influences customers' perceived value as well. With that said, this article takes a brief look at some of the physical characteristics of brick and mortar locations.

First, be certain your store's appearance is congruent with your marketing message. Are you trying to convey a "fun product or service" such as party wares? Then you would be doing yourself and your customers a disservice trying to make your physical location look too clinical or professional. Likewise, if your practice is, say, a Financial Management firm, you want your interior (and exterior) to look conservative and professional.

That seems obvious, but many businesses owners fall into the trap of making their surrounding reflective of THEIR personality instead of trying to convey the product's or service's personality – or to consider that of the target market's. For example, we had a client who owned a restaurant and its menu consisted of high-priced meals that arrived very eloquently plated to its patrons who were seated at tables with bright white linens and proper place settings. It also had a nice wine cellar with wine-menu items up to \$200 per bottle. The waiters and waitresses were formally dressed. This type of establishment calls for a certain clientele – one willing to spend a little more for a formal, fine dining experience.
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“ ... but at what cost and was that really the establishment’s target market? .”

However, they had an open playroom for children that was exposed to the dining area. It contained many loud features including a slide. Of course, one might argue that this theoretically could have helped attract families with children, but at what cost and was that really the establishment’s target market? The restaurant was also adorned with a hodgepodge of pictures without any theme. The walls were covered in lavender pastel and the lighting was very bright for a formal dining establishment. The entryway even had two arcade machines (which were the owner’s favorite games from the ‘70s). Can you see how all this detracted from the establishment’s intended intimacy? Can you see how they missed the theme they should have been concentrating on? After some strategic adjustments to the restaurant’s appearance (along with some other aspects), it started to attract more of the new clientele it intended to target.

Some additional considerations any brick-and-mortar establishment should make include:

- ◆ Is your theme consistent?
- ◆ Is the signage congruent with the look and feel of your intended identity in the marketplace?
- ◆ Should the employees have matching uniforms or a specific standard for dress?
- ◆ Are company vehicles (if any) lettered and clean? If there aren’t any, should there be?
- ◆ Are the bathrooms always clean and stocked?
- ◆ Is the customer area clean and uncluttered, with good flow for foot traffic?
- ◆ Is the lighting adequate and appropriate?

The physical space one conducts business in, is as important as any other part of its branding. Great branding enhances customers’ perceptions, experience and overall satisfaction. Knowing that an unhappy customer will tell twice as many people about their experience than a happy customer will, one’s overall business strategy should clearly focus attention to details in this area.

Masterful Quotes

*“The secret of change is to focus all your energy
not on fighting the old but on building the new.”*

- Socrates

*“If you can't fly then run. If you can't run, then walk. If you can't walk, then crawl,
but whatever you do, you have to keep moving forward.”*

- Martin Luther King Jr.



**All of us at TITAN Business Development Group, LLC
Wish you and yours festive, thankful and memorable
holiday and New Year's celebrations.**



New Tax Reform Legislation That Affects Nearly Every Business.

Qualified Business Income Deduction

Many owners of sole proprietorships, partnerships, trusts and S corporations may deduct 20 percent of their qualified business income. The new deduction -- referred to as the Section 199A deduction or the qualified business income deduction -- is available for tax years beginning after Dec. 31, 2017. Eligible taxpayers can claim it for the first time on the 2018 federal income tax return they file next year.

Temporary 100 percent expensing for certain business assets

Businesses are now able to write off most depreciable business assets in the year the business places them in service. The 100-percent depreciation deduction generally applies to depreciable business assets with a recovery period of 20 years or less and certain other property. Machinery, equipment, computers, appliances and furniture generally qualify.

Fringe benefits

- **Entertainment and meals:** The new law eliminates the deduction for expenses related to entertainment, amusement or recreation. However, taxpayers can continue to deduct 50 percent of the cost of business meals if the taxpayer or an employee of the taxpayer is present and other conditions are met. The meals may be provided to a current or potential business customer, client, consultant or similar business contact.
- **Qualified transportation:** The new law disallows deductions for expenses associated with transportation fringe benefits or expenses incurred providing transportation for commuting. There's an exception when the transportation expenses are necessary for employee safety.
- **Bicycle commuting reimbursements:** Employers can deduct qualified bicycle commuting reimbursements as a business expense for 2018 through 2025. The new tax law also suspends the exclusion of qualified bicycle commuting reimbursements from an employee's income for 2018 through 2025. Employers must now include these reimbursements in the employee's wages.

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- **Qualified moving expenses reimbursements:** Reimbursements an employer pays to an employee in 2018 for qualified moving expenses are subject to federal income tax. Reimbursements incurred in a prior year are not subject to federal income or employment taxes; nor are payments from an employer to a moving company in 2018 for qualified moving services provided to an employee prior to 2018.
- **Employee achievement award:** Special rules allow an employee to exclude certain achievement awards from their wages if the awards are tangible personal property. An employer also may deduct awards that are tangible personal property, subject to certain deduction limits. The new law clarifies that tangible personal property doesn't include cash, cash equivalents, gift cards, gift coupons, certain gift certificates, tickets to theater or sporting events, vacations, meals, lodging, stocks, bonds, securities and other similar items.

Estimated Taxes

Individuals, including sole proprietors, partners and S corporation shareholders, may need to pay quarterly installments of estimated tax unless they owe less than \$1,000 when they file their tax return or they had no tax liability in the prior year (subject to certain conditions). More information about tax withholding and estimated taxes can be found on the agency's Pay As You Go page as well as in Publication 505, Tax Withholding and Estimated Tax. Publication 505 has additional details, including worksheets and examples, which can help taxpayers determine whether they should pay estimated taxes. Some affected taxpayers may include those who have dividend or capital gain income, owe alternative minimum tax or have other special situations.

