

The Titan Times Newsletter

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Masterful Quotes

"If you are not willing to risk the usual, you will have to settle for the ordinary."

- Jim Rohn

"The real test is not whether you avoid this failure, because you won't. It's whether you let it harden or shame you into inaction, or whether you learn from it; whether you choose to persevere."

- Barack Obama

"The successful warrior is the average man, with laser-like focus."

- Bruce Lee



www.TitanBDG.com

(973) 601-3275

information@titanbdg.com



in this issue:

Five Steps to Building Business Credit	P.1
Masterful Quotes (Sidebar)	P.1
Don't be Afraid to Imitate Others	P.2
2021 Federal Deadlines (Sidebar)	P.2
Four Styles of Leadership	P.3

Five Steps to Building Business Credit

Building business credit plays a crucial role in your company's funding ability. Except for Sole Proprietorships, which operate without any legal or financial distinction between the owner and his /her company, your business has the ability to establish its own credit file, separate from you as an individual. It should build it, protect it and capitalize on it, the same as any individual would their own credit record. Below are the five simple steps to building business credit.

Choose the right business structure and register your business. Your business needs to be a distinct entity, be it an LLC, LLP, or Corporation, for example. Sole proprietorships do not build their own credit histories because they are not recognized as separate legal entities from their owners.

Obtain your Federal Tax ID Number. This is the 9-digit number the IRS assigned to your business when you register the company. You will use it for tax filings, for banking, applying for business licenses and permits ... and for applying for business credit.

Open a Business bank account. Once you have your federal tax ID, you will want to open a business bank account for your company. This is a mandatory step in creating a clear separation between your business and personal expenses.

Your banking relationships play an important role in your company's funding potential. Not only does your business bank account serve as a bank reference on credit applications, but it also allows provides key data that lenders use during a funding review.

Establish credit with vendors/suppliers who report to the Credit Agencies. One of the easiest ways to build business credit is to apply for credit on Net Terms with Vendors and Suppliers. As you buy supplies, inventory, or other materials on credit, those purchases and payments are reported to the business reporting agencies and create your company's Credit Profile. Eventually, a business credit rating (Credit Score) is generated. Remember, it is important to select vendors and

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Remaining 2021 Federal Deadlines

June 10, 2021: Deadline for employees who earned more than \$20 in tip income in May 2021 to report this income to their employers

June 15, 2021: Deadline for second-quarter estimated tax payments for the 2021 tax year

June 15, 2021: Deadline for personal and business taxes for residents of Texas and surrounding states impacted by weather-related disaster area designations

June 15, 2021: Deadline for U.S. citizens living abroad to file individual tax returns or file Form 4868 for an automatic two-month extension

July 12, 2021: Deadline for employees who earned more than \$20 in tip income in June 2021 to report this income to their employers

Aug. 10, 2021: Deadline for employees who earned more than \$20 in tip income in July 2021 to report this income to their employers

Sept. 10, 2021: Deadline for employees who earned more than \$20 in tip income in August 2021 to report this income to their employers

Sept. 15, 2021: Deadline for third-quarter estimated tax payments for the 2021 tax year

Sept. 15, 2021: Final deadline to file partnership and S corporation tax returns for tax year 2020, if an extension was requested (Forms 1065 and 1120-S)

Oct. 12, 2021: Deadline for employees who earned more than \$20 in tip income in September 2021 to report this income to their employers

Oct. 15, 2021: Final extended deadline to file individual and corporate tax returns for the year 2020 (Form 1040 and Form 1120)

Oct. 15, 2021: Deadline for taxpayers who earned \$69,000 or less in adjusted gross income (AGI) for tax year 2020 to use Free File to prepare and file their returns

Nov. 10, 2021: Deadline for employees who earned more than \$20 in tip income in October 2021 to report this income to their employers

Dec. 10, 2021: Deadline for employees who earned more than \$20 in tip income in November 2021 to report this income to their employers

suppliers that report to a business credit reporting agency. Additionally, they may serve as trade references on future credit applications as well.

Monitor your business credit reports. Here are five key reasons to monitor your business credit report to (1) ensure your company's credit report is complete and accurate, (2) to be aware of on any changes to your report that could impact your business, (3) to identify any issues or areas in your report that can be improved upon, (4) and so that you are aware of who is inquiring about your business (inquiries).

With an established business credit report, you may get higher credit approvals, better interest rates and repayment terms on loans and lines of credit.

It is equally important to establish a diversity of accounts with other types of business credit such as business credit cards or lines of credit. Let these five simple steps serve as a starting point to building business credit for your company.

Don't Be Afraid To Imitate Others

You've heard it said before: imitation is the most sincere form of flattery. It's true, so go ahead and look to businesses that you respect. What do they do well? For example, do they have strong operations, great pricing, quality products, strong customer support or inventive marketing strategies? Identify what you admire about them and try to imitate, or better yet, where possible, even improve upon those aspects that strike you favorably.

A good way to step ahead of your competition is to be vigilant about looking closely at what they are doing. Likewise, some of your best ideas may be found listening to your customers or from friends who are small business owners themselves. We regularly ask our clients what they liked (and disliked) about working with competitors. We even inquire as to how their experience with us is/was as compared to expectations they may have formulated by listening to ours and others' marketing messages.

One of the clearest examples of imitation can be found in the fast-food industry. McDonalds, Burger King and Wendy's (to name a few) have made a science out of imitating the most successful moves of each other. The same principles apply to smaller businesses as well. Many small hardware stores now offer either the same types of services offered by the big chains – or an improved version of them. How about pizza delivery services with 30-minute benchmarks or oil change services where they top off all your car's fluids? It has even become commonplace for many of the convenience stores to now offer free or reduced-price refills to keep you coming back.

Recently, I took my family out to the movies and went to the concession counter during the screening. The server told me he would bring the popcorn and sodas to us in the theater. I asked him when they started that practice and he responded that they began doing it when it became a popular move at a competitor's theater (20 miles away!).

So go ahead and flatter away. Imitation can help promote healthy competition and keep you at the head of the pack. No business owner knows the best way to do everything, so don't be shy about borrowing ideas. Best of luck and continued success.



Four Styles of Leadership

Capable leadership is one of the most important traits of a successful business owner, manager or executive. However, different circumstances call for different management styles. This article discusses four basic types: Directive, Participative, Laissez-faire and Adaptive.

Directive: This is the perhaps the oldest form and is relatively autocratic. Someone using a directive style tells people what to do and expects them to do it right away. A good example of when the directive style is appropriate would be when directing an employee who is new to the industry or task at hand. They need a lot of direction until they become versed in how and when to do something.

Participative: This style seeks input from others and lets those being led participate in the decision making process. An appropriate example would be when working with a subordinate on a problem that has arisen, when that subordinate has experience, but perhaps still needs to learn some of the finer nuances. This style would allow that person to help solve the problem based on their knowledge while at the same time allowing you to assess their development and teach them some of the finer points.

Laissez-faire: This is basically a hands-off approach. It allows the employee to take initiative and have latitude in developing a process to reach the desired outcome. An example might be when an excellent sales opportunity presents itself and you let your most seasoned salesperson who closes a high percentage of business take the reigns. In this case, given the existence of this level employee, you wouldn't want to stymie their proven ability to perform.

Adaptive: A fluid style that takes into consideration the context of the environment and the individual being led. For example, suppose there is a new project being worked on by a team. The adaptive style of leadership might treat each member of the team differently based on their seniority within the team and level of experience.

A successful leader knows how to manage these four styles based on the circumstances at hand. Clearly, the right style at the right time with the right people can make a tremendous difference not only in how well you communicate, but how effective you are as well.

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www.degencpa-titan.com

(973) 206-7536



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