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Annual planning for businessmen

Dear Sir or Madam,

At the beginning of the year, any businessman should consider how to proceed during 2015 without losing sight of medium-term planning, whilst continuing to carry out the day-to-day work. A few suggestions.

January

The first month is all about the employees. Have all staff appraisals been held? Have these left tasks that still need to be done by the employer? Have new salaries been set and implemented? Have social security institutions been informed? Are the salary statements done? Have holidays and absences been entered into a calendar? Are any new staff required? Have all employees received a list of holidays, bridging days and company holidays? In addition to staff matters, the annual plan for board meetings should be set up.

February

Figures for January should be available, and comparing them against budget should reveal whether they are in line with target figures. The draft accounts for 2014 should be available now, even for an SME. Does the budget need to be amended? Are the company's revenues at least satisfying enough to continue with the business? Do the strategy and direction of the company need to be reviewed?

March

For most SMEs this is the month to have the financial statement finished. A careful balance between a good economic result and an optimal tax result must be made. Most SMEs have a financial statement that is both relevant for tax purposes and also represents the operating results. This may have the negative effect that tax optimisations lower profitability and thus, for example, could have a negative influence on bank loans. From a company with 10 or 20 employees upwards, a dual accounting approach can be chosen, depending on profitability – with a tax statement and an economic statement. Now the last moment has arrived to have the first meeting of the board of directors and to prepare the annual general meeting. Can the set-up of the board of directors be considered as balanced?

April

Time for the shareholder meeting. Annual review, acceptance of the financial statements, formal discharge, elections, etc. The better prepared, the simpler. According to law, persons involved in the running of the business are not allowed to vote during the formal discharge. Occasionally this can mean a vote is not possible. I suggest having one anyway. Although it is possible to object against the vote, the vote is not null and void. Without objections, the result of the vote becomes binding, allowing legal security. Should there be any minority shareholders, a voluntary remuneration report can be presented and decided upon. This has the disadvantage of creating a certain transparency. The advantage is that objections against the amounts of compensation are hardly possible after the shareholder meeting's contestation period of two months. Please bear in mind: as a worst case scenario, a dissatisfied minority shareholder can file charges based on the compensation for the executive.

May

In this month the main emphasis is on long-term contracts with six-month notice period, i. e. end of next month? Are all rent contracts in order? Is there an overview of all contracts, or at least the most important? Should the employee insurance contracts be continued (pension fund, accident insurance, health insurance, etc.)?

June

Last possible moment for the shareholder meeting, should it not have been held yet. For young employees with positive improvement, a pay rise as per 1st. July can be considered. Restructuring is possible until June as this can generally be done no later than six months after the last statement without needing an interim report.

July

Now is the time SME owners should have their first holidays. One of my mottos is: "There's a life before death." Without rest and recuperation you sap your life's energy. Rest is important to build up reserves in times of crisis and pressure. And for all those who are also married, it is part and parcel of a well-balanced family life. The need for recovery time is not to be underestimated. The increase in cases of burn-out, sleep deprivation and all its effects on health often have their cause in lack of rest and recreation.

August

Half-year figures should be analysed. Compare first six months profit and turnover with budget and previous year? Are we on course? Do we have enough reserves for troubled times? How solvent are we after summer?

September

Health check. For any responsible-minded businessman, routine check-ups and regular preventive checks are a must. Balanced nutrition and adequate exercise are called for. However, anyone with a demanding job and working at full throttle for between 50 and 60 hours per week should not believe that they will be doing their body a favour by doing an hour of intensive sport after a tough day at the office. The same goes for the weekend. Putting a strain on your body with a two-hour endurance run, accompanied by wheezing and sweating, on a Saturday or a Sunday after a particularly challenging week of work is plain silly. Physical exercise make sense only if the body has enough time to recover, physically and mentally. Non-stop media consumption after work until bedtime does not allow any recovery either. Sitting down, reading a book, listening to music, writing, or just doing nothing and contemplating is also necessary.

October

Do not overdo the planning. Some leeway and periods without anything in the calendar allow you to tackle anything unexpected in a responsible manner.

November

Time for the budget, even for small companies. The first time it can be set up very simply. At the beginning it is about deliberating which way the journey should go. Growth, consolidation, downturn? Only with practice will you get used to the challenge of exact planning.

December

Staff appraisals are on the card. They should be within a wide framework. It is no use telling an employee that he or she made a mistake eight months ago. Current work accomplishments should be acknowledged. Those staff appraisals at the end of the year help employees plan their future, and indirectly benefit the company.

Kind regards

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