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March-April | 2024

ModernAdvisors accountants



DEBT management for business owners

The 'why' for AI | Subscribing to success
(Almost) everything you need to know about e-commerce
Getting active | Stress savviness

Financial wellness for the modern business

As we look across the vast business landscape, it's clear that financial wellness isn't just a goal but a journey—one that incorporates knowledge, strategy and innovation.

Navigating your business through finances can be challenging, especially if you're carrying the weight of business debt. With a good understanding and the right strategies in your sails, you can chart your way to financial stability.

Along the way, you'll want to consider the "why" behind artificial intelligence and how it can help you transform your business. By streamlining processes and reducing costs, you can set your business up for continued success.

If you're looking to dive into the digital marketplace, consider giving e-commerce platforms a try. We help guide you through the complexities of e-commerce and suggest a few platforms perfect for small businesses.

Maybe you'd like to dip your toe in the sea of subscription-based businesses. We cover the basics and the questions you should consider before going all-in on a subscription-model adventure.

You'll want to focus on more than just your financial health, though—take your physical health into consideration. We've rounded up a few top pedometers, fitness trackers and fitness apps to help put a little pep in your step.

And don't forget about your mental health, either. Take our stress-savviness test and learn a few tips that can help you manage your stress.

Here's to the health of your business, body and mind.

Your trusted advisors

It's clear that financial wellness isn't just a goal but a journey.

contents

March-April | 2024

Features

4 | Debt management for business owners
Learn what you need to know to manage your business debt effectively.

6 | The 'why' for AI
We cover why you should know about AI for your business.

8 | (Almost) everything you need to know about e-commerce
Discover the benefits of e-commerce platforms, what to consider when choosing one and our five recommendations for small businesses.

10 | Subscribing to success
Want to move your business to a subscription-based model? We cover the basics and ask all the right questions.

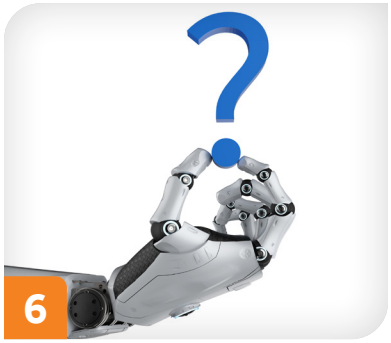
Departments

2 | From the firm: Financial wellness for the modern business
Focus on the wellness of your business, body and mind.

12 | Life and living: Getting active
Check out our roundup of pedometers, fitness trackers and fitness apps to help kickstart your motivation.

14 | Mind flex: Stress savviness
Put your stress savviness to the test and learn tips to reduce stress.









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Debt management for business owners



Would you be surprised to learn that many small businesses carry debt? If you're a business owner, it may not shock you that **72% of small businesses hold outstanding debt**, according to the 2023 Report on Employer Firms issued by Fed Small Business.[1]

While debt is necessary, it's important that it's carefully managed with the help of a financial professional. In this article, we'll cover different types of business debt, how to effectively reduce and stop accumulating debt, when it's wise to file bankruptcy, and your options if this happens.

Understand your business debt

There are several common types of debt, including:

Short-term

Typically used to cover short-term operating expenses. It can come in the form of lines of credit, short-term loans, overdraft protection and merchant cash advances. The debt is repaid within a short period, usually about a year.

Long-term

Often used to finance capital investments, like vehicles, equipment or real estate. It typically carries an extended repayment period. Examples include term loans, bonds, mortgages and equipment financing.

Secured

A loan or credit backed by collateral, such as property, inventory or equipment. It presents less risk and typically has lower interests. However, if businesses fail to make payments, assets used as collateral can be seized to recover the amount owed.

Unsecured

Not backed by collateral; usually more challenging to obtain. Rates are generally higher. Offered in the form of traditional term loans, lines of credit and business credit cards.

How to reduce debt

If your business carries recurring debt, you'll want a debt management plan. *(Disclaimer: Working with a trusted professional who specializes in this field is highly recommended.)* This plan can include strategies to:

Assess your current debt situation

Look at all your business liabilities, including bank loans, business credit cards, lease obligations, contracts, business taxes or employee-related liabilities (e.g., wages, benefits, pension, retirement).

[1] "2023 Report on Employer Firms: Findings from the 2022 Small Business Credit Survey," Fed Small Business, March 2023. https://www.fedsmallbusiness.org/survey/2023/report-on-employer-firms

Set debt reduction goals

Determine the amount of debt you want to pay off in a specified timeframe. Be realistic, based on your budget and income.

Renegotiate terms

Work with your lenders to negotiate more favorable terms for your debt. Options may include lower interest rates, extended payment terms or temporary payment relief.

Consolidate loans

If available, consolidation can simplify your debt management and may lower interest costs.

Ways to stop debt accumulation

As you work to reduce your debt, it's also important to see where you can cut costs so you can remove—or diminish the need for—more debt. Work with a professional to:

Develop (or adjust) your budget

Implement a strict budget; adjust spending accordingly.

Increase revenue streams

Are there areas of your business where you can raise prices or introduce a new product or service?

Improve invoicing and collections

Ensure you're invoicing on time and following up on overdue payments.

Cut unnecessary expenses

Review expenses and see where you can eliminate non-essential costs.

Avoid unnecessary borrowing

Before considering a significant purchase or investment, research the ROI and decide whether a new loan is worth it.

Conduct financial reviews

To stop debt accumulation and overspending, regularly review your financial status. This keeps you on top of spending and helps avoid unnecessary debt.

When bankruptcy is the only option

If your business carries too much debt and there's no end in sight, bankruptcy may be necessary to reduce your business debt burden. If it comes to this, you have two options:

Chapter 7[2]

A Chapter 7 business bankruptcy is administered by a bankruptcy trustee who sells your business assets, tries to retrieve outstanding accounts receivable, pays owed taxes and distributes any remaining funds to your creditors. It eliminates any personally guaranteed business debts and provides you with a clean break from the failed business. But your personal credit rating takes a massive hit—which stays on your record for seven years.

Chapter 11[3]

A Chapter 11 bankruptcy allows your business to reorganize debts and restructure finances to pay bills. Your business continues to operate, and calls from debt collectors cease in the short term. If you have assets worth less than your debt, bankruptcy may allow you to pay only what the assets are worth instead of the balance due. Chapter 11 is costly, requires a bankruptcy attorney and can take several years.

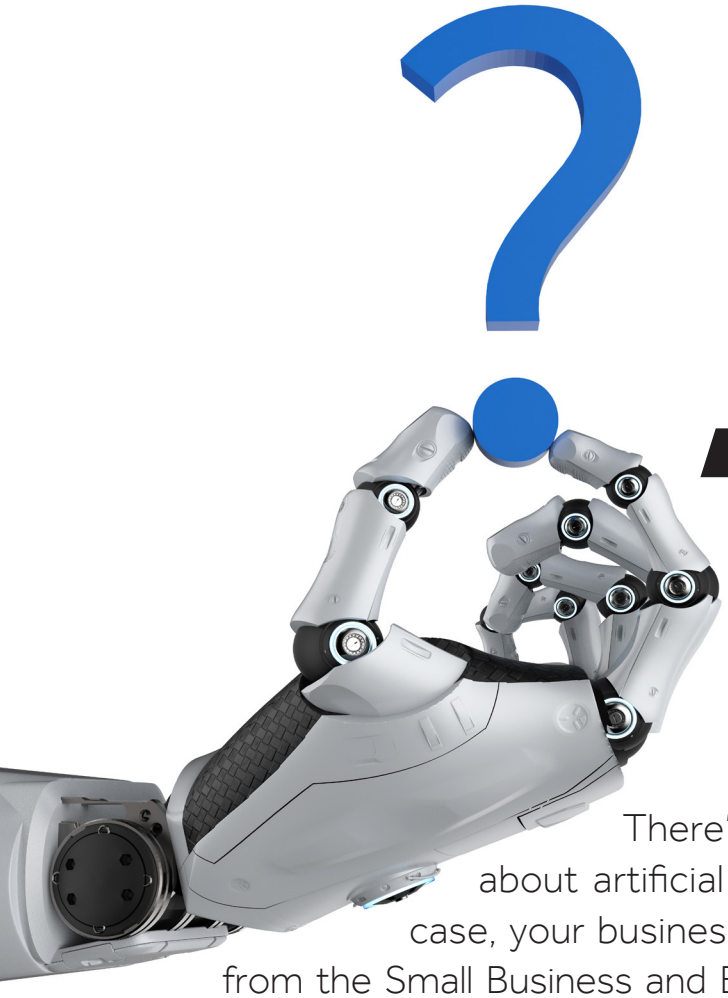
Consult a professional

Effective debt management is crucial for business owners, but you shouldn't do it alone. Work with a qualified professional who can guide you through strategies to navigate debt efficiently and keep your business on a path to financial health. ■

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[2] "Chapter 7 Bankruptcy - Liquidation Under the Bankruptcy Code," Internal Revenue Service, April 4, 2023. https://www.irs.gov/businesses/small-businesses-self-employed/chapter-7-bankruptcy-liquidation-under-the-bankruptcy-code

[3] "Chapter 11 Bankruptcy - Reorganization," Internal Revenue Service, April 4, 2023. https://www.irs.gov/businesses/small-businesses-self-employed/chapter-11-bankruptcy-reorganization



the 'why' for AI

There's a very slim chance you *haven't* heard about artificial intelligence (AI) yet. And if that's the case, your business may be missing out. In fact, a report from the Small Business and Entrepreneurship Council (SBEC) found that 75% of the surveyed small businesses use AI in their operations.[1]

Maybe you're one of the 75%, or perhaps you're on the fence about incorporating AI into your business. And you may be wondering, "Why do I even need to know about AI? I don't plan on using it anytime soon." It's a great question. And we have some answers for you.

Why you need to know about AI

AI is everywhere—literally. If you use a smartphone and ask Siri or Google Assistant for help, that's AI. If you find yourself scrolling social media platforms, AI's hard at work, fine-tuning the algorithm that suggests content, people you may know and ads. AI is also used in mapping and navigation apps. So, since you're likely already using AI, why not consider using it in your business?

If you can't think of a reason to use AI, we've got several:

[1] "Small Business AI Adoption Survey 2023," Small Business & Entrepreneurship Council, October 2023. https://sbecouncil.org/wp-content/uploads/2023/10/SBE-Small-Business-AI-Survey-Oct-2023-FINAL.pdf

AI gives you a competitive advantage
When your business uses AI tools and technologies, you can optimize operations, improve customer experiences and make more informed decisions.

AI improves efficiency
Businesses that use AI can automate routine or mundane tasks (e.g., data entry, inventory management, time entry). This allows you and your employees more time to focus on other things.

AI can personalize experiences
By analyzing customer data (i.e., purchasing and/or browsing history), you can tailor your customer service or products to better meet the individual needs of your customers. This is great for increasing customer satisfaction and loyalty.

AI provides data insights
Small businesses can better understand customer behavior, market trends and operational inefficiencies by allowing AI to analyze large volumes of data. This also helps business owners with decision-making.

AI can reduce costs
In the long run, using AI and automation can help reduce overall business costs, especially considering the savings involved with labor and operations.

AI helps your business stay relevant
Technology is constantly evolving, and many customers expect businesses to keep up. Using AI in your business can help you meet the growing expectations of adopting the latest and greatest technologies.

AI unleashes business opportunities
AI helps businesses innovate their products and services, which can help them tap into new markets or customer segments.

Myths that prevent AI adoption

The use of AI can make anyone wary, especially when we think about the terrifying AI robots of movies like "The Terminator", "Ex Machina" or "M3GAN." Thankfully, they remain safely in the realm of science fiction, but from a business perspective, the following myths still prevent business owners from adopting AI and understanding its benefits.

AI will replace humans
It's a common belief that AI will take over and humans will lose their jobs. While AI can help streamline mundane tasks and process large amounts of data, it lacks human creativity, empathy and critical thinking. AI won't replace humans, but people who know *how* to use AI will replace people who don't.

AI is too expensive to implement
The cost of AI can vary widely. Some options are affordable, while others are costly. But the technology is always evolving and becoming more accessible as demand increases.

AI understands context perfectly
AI requires large amounts of data to understand and predict patterns, and it often struggles to understand context— especially in complex or nuanced situations. Like people, it can still make errors when interpreting inputs.

Put your fears to rest

It's important to understand that AI isn't the be-all and end-all for businesses. Businesses can't run without people. But AI is here to stay, and it can help small businesses thrive. A little AI can go a long way within your business.

"Alexa, let's build a better business." ■



(Almost) everything you need to know about e-commerce

Have you been running a traditional brick-and-mortar storefront, and now you're considering whether an e-commerce platform is the right move for you? With seemingly endless options of platforms available, it can be hard to know what will work best for you and your business.

In this article, we'll share why you should consider an e-commerce platform, what to look for and some of the best e-commerce options available. So, let's dive in.

Benefits of using an e-commerce platform

There are many benefits to incorporating an e-commerce platform into your business, including:

A wider reach

When you move to an e-commerce platform, you can extend your customer reach well beyond your store (and even geographical) limits. It opens up your business on a national—and sometimes global—scale, making it easier to attract new customers from almost anywhere.

An increased convenience for buyers

55% of consumers shop online per week, according to the Global Consumer Report: Current and Future Shopping Trends.[1] Going the e-commerce route greatly impacts your consumers by allowing them to purchase from you 24/7.

Greater brand visibility

E-commerce platforms offer marketing tools and integrations, like SEO, email marketing, social media marketing and analytics, which help increase your brand's visibility. That drives more traffic to your website and, if done correctly, increases sales.

Scalability

As your business grows, so can your e-commerce platform. There's no need for a significant physical expansion if you increase traffic, product lines and transactions.

A competitive advantage

An online presence can give you better visibility over your competitors, who may not have much of an online presence.

Streamlined operations

Many platforms offer inventory management, automated shipping and tax calculations, and they integrate with other business tools. This helps streamline business operations and reduce workload.

Better customer insights

With online platforms, you gain invaluable insights into customer behavior, preferences and buying patterns. This helps to tailor offerings and even individual experiences for your customers.

[1] "Global Consumer Report: Current and Future Shopping Trends," BigCommerce, Accessed January 23, 2024. https://www.bigcommerce.com/resources/reports/global-consumer-report-cdl-report

What to look for in an e-commerce platform

When you're ready to make the foray into the world of e-commerce, here are some key factors to consider so you can ensure whatever platform you choose meets your specific needs and goals.

Budget

Consider the total cost, including setup fees, monthly fees and transaction fees. Depending on the platform, tiered pricing based on features may be available.

Ease of use

If you're not technologically inclined, look for a user-friendly and intuitive platform.

Customization capabilities

Check whether the platform offers customizable templates that align with your brand. Being able to make modifications is important for your brand *and* customer experience.

Integration availability

Can the platform integrate with tools you already use, such as email marketing services, accounting programs or payment apps?

Scalability

When your business grows, your e-commerce platform should be able to grow with you. Confirm that it can handle increased traffic and sales without hindering performance.

Payment processing

Make sure the platform accepts multiple payment methods, like PayPal, credit cards and Venmo, among others.

Security features

Look for a platform with robust security measures, including secure payment processing, SSL certification and data protection.

Mobile friendly

With about 76% of adults making purchases via smartphone, according to Pew Research,[2] you want to choose a platform that's optimized for mobile experiences.

Shipping and fulfillment

If shipping physical inventory, consider platforms that offer flexible shipping options, integrations with major shipping carriers and the tools to manage your logistics.

Analytics and reporting

You want a tool with robust analytics to track and analyze sales, customer behavior and key metrics important for informed decision-making.

Common e-commerce platforms to consider

The following five platforms are widely used due to their functionality, ease of use and scalability. While this list isn't all-encompassing, it provides a good start to your own research.

Shopify

Offers a range of customizable templates and integrates with multiple payment gateways. This is a popular choice among small businesses.

WooCommerce

This platform is ideal for those familiar with WordPress as it's a highly customizable plugin for WordPress websites.

Squarespace

This user-friendly platform has visually appealing design templates and is great for small businesses that prioritize aesthetics and simplicity.

Wix

Suitable for small businesses that want a simple online store, Wix offers a drag-and-drop website builder for ease of use.

Amazon

With its large customer base and distribution network, Amazon is a viable e-commerce option for small businesses.

Making the move

Armed with the knowledge and e-commerce platform options above, you're ready to take the next step on your e-commerce journey. Remember, the important thing is to choose what's best for your current needs and the platform that will support your growth and success in the online marketplace. ■

[2] "For shopping, phones are common and influencers have become a factor – especially for young adults," Pew Research Center, November 21, 2022. https://pewrsr.ch/3vKyDCB



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Geek Squad® | Spotify | QuickBooks® Online

From monthly gym memberships and streaming services to wellness boxes and software as a service (SaaS), it seems there's a subscription for almost anything these days. Perhaps that's sparked an interest in moving to—or adding—a subscription-based model to *your* business.

If that's the case, you're in the right place. We'll cover the basics of subscription-based businesses, along with key factors to keep in mind when considering your own subscription model for your business.

What is a subscription-based business?

In its basic form, a subscription-based business model is where customers pay a recurring fee at regular intervals (i.e., monthly, quarterly or annually) for a product or service. It's a great way to increase recurring revenue while providing customers with the convenience of auto-renewals.

What are the benefits?

Benefits of a subscription-based business include:

1 Recurring revenue

Subscriptions generate predictable recurring revenue. This can help with cash flow and financial planning.

2 Customer relationships
Subscriptions offer regular touchpoints with customers, which leads to strong relationships and more opportunities for feedback and improvement.

3 Upsell and cross-sell opportunities
Regular interactions with customers provide several opportunities for upselling and cross-selling products or services based on customer preferences and behaviors. This can increase the revenue per subscriber.

4 Lower acquisition costs over time
While adding new subscribers can be costly upfront, the subscription model can lead to lower costs over time. The longer a customer remains subscribed, the more their lifetime value increases, offsetting the initial high cost of gaining new customers.

5 Data collection and personalization
Valuable data is gathered through customer interactions, which can personalize a customer's experience and improve product or service offerings based on feedback.

Should I consider a subscription-based model?

If you're wondering whether a subscription service is a good fit for your business, here are several factors to consider.

1 Do you (or can you) offer a product or service that provides ongoing value?
To keep customers engaged for a long time, you need to offer a product or service they need or want on a regular basis.

2 Is there a demand for what you offer?
If you have customers returning regularly for the same products or services, a subscription-based model may be the way to go. If you're unsure if customers would prefer a subscription, ask them! Send out surveys or do market research to assess the interest in subscriptions.

3 Does it make financial sense?
Think about the costs of what would go into your subscriptions: cost of goods, customer acquisition, support and fulfillment. Is it something a recurring stream of revenue could cover with profit?

4 Can your business handle recurring transactions?
Do you have a system, or can you implement one, to handle recurring billing, payment processing and customer management?

5 Is it scalable?
If your subscriptions were to take off, would the model be scalable? Can you keep up with demand without a proportional increase in complexity or costs?

6 Can your business adapt?
Moving to a subscription-based service may mean adjusting your current offerings, such as creating new, subscription-friendly offerings in a way that makes sense for your business.

7 Can you maintain consistent quality?
Subscribers expect a reliable experience. It's important to consider whether your offerings can maintain the same high quality in a subscription setting.

Making the transition

Transitioning to a subscription model should be approached with thorough planning and analysis. If you said "yes" to all the questions above, a subscription-based business may be a good move for you. Before you fully commit, consider trying a pilot program to test the waters to ensure it's a good fit for your business. ■



Getting active

We've reached that time of year when some of our well-intentioned fitness habits have fallen by the wayside. And that's OK. It happens to the best of us. Perhaps what we need is the motivation that comes from a fitness tracker or a fitness app. To help kickstart that motivation, we've rounded up some of the best pedometers, fitness trackers and health apps available today.

Keep it simple

If you're mainly looking to track your steps without all the bells and whistles, look no further than a pedometer. They're simple and small, but they get the job done.

3DActive 3DFitBud Simple Step Counter 3D Pedometer

This pedometer has an extra-large display, is lightweight and has good battery life. There's virtually no setup, and you don't need to download apps to get started. The 3DFitBud can be clipped to a waistband, carried in your pocket or attached to the included lanyard.

iGANK Simple Walking Pedometer

The iGank is user-friendly, has a long battery life and can store up to 30 days of walking records. Like the 3DFitBud, there are no apps to download, and setup consists of taking it out of the box. It can be hooked to your belt loop, held in your hand or carried in your pocket.

Add a little extra oomph

If you're looking for something with more features, the following fitness trackers may be what you need.

Fitbit Luxe

Not only does the Fitbit Luxe track your steps, but it also tracks everyday activity, sleep, heart rate, respiration and workouts. You'll need to download the Fitbit app to see the full picture of your habits and lifestyle. It's waterproof, and the battery lasts up to seven days.

It's waterproof, and the battery lasts up to seven days.

Huawei Band 3 Pro

Unlike the Fitbit Luxe, the Huawei Band 3 Pro has GPS. It also boasts a 14-day battery life, dedicated swimming mode, a heart rate monitor and an easy-to-read display. Setup can be a little tricky as the default language is Chinese until it's paired with the Huawei Health app on your phone.

Oura (Generation 3)

If you're more of an analog watch wearer, try the Oura tracker. It's a ring you wear on your finger, which gives you more accurate readings of your heart rate and blood oxygen saturation. Access your stats (e.g., sleep, readiness, activity, stress) via the Oura mobile app.

Improve your fitness health

If hitting the gym isn't your vibe, or you want to add a little more movement into your day, check out these fitness apps to find the best fit for you.

8fit

8fit offers on-demand workouts and meal planning in one app. This is best for people who like a lot of guidance and instruction. Tell 8fit your fitness goals, and it will create a personal program for you. There are both free and paid versions, with the paid versions unlocking additional features.

Aaptiv

If you're good at following directions without keeping your eyes glued to a screen, Aaptiv may be the fitness app for you. Connect to your Spotify account and listen in as a trainer instructs you on what to do. The app suggests workouts suited to your needs based on the exercises you like and the style of music you prefer. Aaptiv doesn't have a free version, but you can take advantage of their seven-day free trial.

Centr, by Chris Hemsworth

Work out with Thor himself via Centr—an all-in-one fitness app that plans your training, workouts and meals. Choose from the options of building muscle, losing weight or getting fit in general. There are both workouts led by coaches and workouts that are self-guided. After a free seven-day trial, the app requires a subscription.

Summing it up

While these lists don't encompass everything, it's a small sampling to give you an idea of what options are available—no matter your budget. Here's to taking small steps toward a healthier lifestyle! ■

Stress savviness

April is recognized as National Stress Awareness Month to bring attention to the negative impact of stress. To shed light on this ongoing issue and the importance of learning to manage stress, we invite you to take our stress-savviness test. When you finish, tuck away that knowledge and our stress management tips so you can be happier, healthier and more productive—in business and in life.



1 **When did National Stress Awareness Month begin?**

A. 1986
B. 1992
C. 2003

2 **What percentage of US workers have at least one mental health condition?**

A. 61%
B. 92%
C. 76%

3 **What is the number one source of stress for Americans?**

A. Money
B. Work
C. Relationships

4 **True or false: Your kidneys release stress hormones.**

5 **True or false: All age groups (i.e., 18-65+) reported higher levels of stress post-pandemic.**

6 **True or false: Workers want healthy work cultures over self-care perks.**

7 **True or false: Post-pandemic, workers feel that their companies support their mental health.**

Tips to reduce stress



In honor of National Stress Awareness Month, here are several tips to help you reduce and manage stress:

1. **Exercise regularly to boost your mood.**
2. **Practice mindfulness and meditation to help you stay grounded and calm.**
3. **Get enough sleep every night, aiming for 7-9 hours, even on weekends.**
4. **Eat a healthy diet and avoid excessive caffeine and sugar.**
5. **Take time to breathe so you can focus and calm your mind.**
6. **Engage in hobbies that you enjoy to distract yourself from stress and recharge.**
7. **Limit screen time, especially before bed, as devices can impact sleep quality.**
8. **Learn stress management techniques to help pinpoint triggers and relieve them.**
9. **Speak with a professional if your stress feels overwhelming or persistent.**

Answers

1-B The Health Resource Network, a nonprofit health education organization, launched a campaign to encourage people to learn about the effects of stress and provide information on how to manage it. **2-A**[1] The Mind Share Partners' 2023 Mental Health at Work report revealed that 61% of workers had experienced at least one symptom of stress. This number is down from 76% in 2021. **3-A**[2] According to the American Psychologist Association's (APA) 2023 Stress in America survey, 82% of 18- to 64-year-olds surveyed reported money as a significant stressor, compared to 77% of 35- to 44-year-olds, 63% of 45- to 64-year-olds and 47% of those 65 and over. **4-True** The stress response starts in your hypothalamus, which sends signals throughout your nervous system and to your kidneys. And your kidneys release adrenaline and cortisol. **5-False** While the majority of age groups reported their stress levels being higher than pre-pandemic, the 65+ age group did not, according to the APA report. **6-True** The 2023 Mental Health at Work report found that 78% of workers want a healthy and sustainable work culture. **7-False** According to the 2023 Mental Health at Work report, only 49% of respondents felt their companies supported their mental health, compared to 61% in 2019.

[1] "2023 Mental Health at Work Report," Mind Share Partners, Accessed January 24, 2024. https://www.mindsharepartners.org/mentalhealthatworkreport-2023

[2] "Stress in America 2023, American Psychological Association, November 2023. https://www.apa.org/news/press/releases/stress/2023/collective-trauma-recovery



Now *is the* time

The tax deadline is approaching fast—have you filed yet? Take advantage of our convenient, paperless process.

But hurry—time is short!

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