

**Workshop Preparation Kit**  
**for the Workshop**  
**"Fiscal Fitness"**

A Workshop Facilitated by  
Lodestar Consulting Systems, Inc.  
4625 East Brilliant Sky Drive  
Cave Creek, AZ 85331  
Phone: 480-275-2764  
email: [Lodestar51@cox.net](mailto:Lodestar51@cox.net)



# Contents

<b>Recommended Timeline For the Workshop</b>	<b>3</b>
<b>Workshop Description</b>	<b>5</b>
<b>Workshop Objectives</b>	<b>7</b>
<b>Workshop Logistics</b>	<b>8</b>
<b>How To Sell It To Your Dealers</b>	<b>9</b>
<b>Workshop Cost Estimating Sheet</b>	<b>10</b>
<b>Sample Invitation Letter</b>	<b>11</b>
<b>Sample Confirmation Letter</b>	<b>12</b>
<b>Requested Room Layout</b>	<b>13</b>

# Recommended Timeline For the Workshop

## **12 Weeks or More Before Your Workshop**

Schedule and book the workshop with Lodestar. (12 weeks is the suggested minimum time to have a reasonable chance of getting the dates you want. On some occasions, it may be possible to book a workshop on a shorter time frame than this, but the earlier you contact Lodestar, the better are your chances of getting the date(s) you want.)

## **8 Weeks Prior to the Workshop**

Notify your territory managers (TMs) of the coming workshop (if you have not already done so).

e-Mail out the invitation memo (a sample is included in this kit).

If you need to order audio-visual equipment, schedule it now. If you have it on hand, skip this step. Equipment needed: computer projector (VGA, SVGA, or XGA) and screen; flip chart with 1 full pad of paper.

If you decide to hold the workshop off-site, make arrangements for a meeting location. If you go off-site, remember to make arrangements for lunch or dinner (depending on when you decide to start your workshop) and early and late refreshment breaks.

## **2 Weeks Prior to the Workshop**

Remind your TMs of the coming workshop.

(Optional: e-Mail the confirmation notice to all who will be attending. See the sample in this kit.)

## **1 Week Prior to the Workshop**

Print any materials from the master material sent to you by Lodestar (if applicable).

### **1 Day Before the Workshop**

- Make sure the room is set up per the attached room set-up diagram.
- Make sure the audio-visual equipment and flip chart are set up and ready to go.
- Make sure the lunch is set.
- Make sure the breaks are set up. You should have coffee/tea on hand when your guests arrive; donuts and fruit are optional. Plan on a mid-morning break (around 10:00 am; refresh the coffee; add soft drinks) and an afternoon break (around 2:30 pm; soft drinks).
- Designate a representative from your distributorship to be present to start the meeting with welcoming comments, etc. (This person is not required to stay beyond the kick-off speech.)

### **Day of the Workshop**

- Make sure your welcomer will be present and has appropriate welcoming comments ready.
- One hour before the meeting starts, make sure the opening refreshments are out and ready and that the caterer is on schedule for the first and second breaks and meal.

### **1 Week After the Workshop**

- You will be receiving the invoice from Lodestar for your workshop.

# Workshop Description

Two days of computer-based analysis of a hypothetical dealer to learn the principles that can be applied back at the office to fine-tune the business and extract more profits. Each company should be supplied with a computer for this workshop. Advanced versions of the workshop can be extended to 2-1/2 and 3 day formats.

Exact course content will vary depending on the votes of the participants. Some material is standard (how to load and use the software, the structure and interpretation of the basic financial statements), but all other topics are electives. Dealers may choose from the following topics for Day 2 and/or Day 3:

- Running the Financial Ratios
- Factoring Accounts Receivable
- Improving Cash Flow
- Compensation Plans
- Sales Scoreboards
- The Power of Selling Systems
- Jobs Analysis
- Installation Labor Efficiency
- Setting an Installation Street Rate
- Productivity Bonuses
- Installation Breakeven
- Labor Analysis on Jobs
- Job Planning (for manpower)
- Job Pricing
- Slow Season Job Pricing
- Add-on / Replacement Pricing and Job Costing
- Residential New Construction Pricing and Job Costing
- Retail Price Books
- Service Labor Use Efficiency
- Service Street Rates
- Pricing of Parts
- Service Tech Productivity Bonuses
- Service Breakeven
- Service Sales to Replacement Sales Mix
- Service Tech Income Statement
- Residential Service Agreements
- Commercial Service Agreements
- Advertising Leads Analysis
- Setting An Advertising Budget
- Doing Clean and Checks
- What Impacts Profit?
- Business Planning
- Long-Term Growth Planning
- Sales, Expense, and Cash Forecasting
- Business Valuation for Sale
- Retirement

The workshop is taught in a problem-based learning (PBL) approach. The PBL approach divides the class into work groups. The class is then assigned a real-life problem to solve as a team.

This problem is described in detail in workshop materials and all information needed to solve the problem is contained on the course CD-ROM. Teams then report out their solution and how they arrived at it. Discussion of each approach helps different learners with different learning styles find the approach that works best for them. (PBL has been shown to be a powerful and effective learning tool in such complex situations as medical school and law school.)

**Attendees who may benefit:**

Dealer principals; office managers; bookkeepers; accountants; service managers; sales managers. Principals should bring their last fiscal year's income statement, balance sheet, and cash flow statement. (They will not be asked to disclose any information to anyone.)

**What the Participants will do:**

- ★ Analyze a hypothetical contractor's statements to identify strong and weak areas
- ★ Based on this analysis, corrective actions will be designed and simulated on the software
- ★ After mastering the basics, participants will choose from a ballot of additional topics to cover in the remaining time

The workshop uses a hypothetical dealership's statements as a springboard for exploration and to establish common ground for problem solving. Dealers who wish to use their own financial data may want to take advantage of Lodestar's *Data Silo Setup* service. To use this service, the dealer must email or mail copies of his/her last fiscal year's financial statements (income statement, balance sheet and cash flow statement) to Lodestar at least **four weeks** prior to the workshop. Lodestar will then create a data silo file for the dealer to use in the class and include documentation showing the dealer how the file was created from the dealer's financial statements so the dealer can update the data silo file later on his or her own. The fee for this file setup is \$200.00 per dealer. The dealer must pre-pay for the data silo file creation by check.

**Deliverables:**

Manual (120 pages on the CD in PDF format), CD (Adobe and Excel files and templates), the *Fiscal Fitness* program

***Due to the intensive computer-driven nature of this workshop, we must limit the class size to 24 people (not counting territory managers).***

# Workshop Objectives

1. Install the software and set up a data silo.
2. Analyze a hypothetical dealership's statements to determine areas of strength and weakness.
3. Suggest corrective actions to improve weaknesses, then model those actions on the software to see if they have the desired effect.
4. Select the remaining material to cover from this list: Breakeven analysis, capitalization and growth, the value of accounts receivable, credit and collections, advertising (planning, budgeting and measuring), commission plans, manpower planning and use, job pricing, setting labor rates, retail price books, estimating and costing worksheets, system selling, service technician productivity, service agreements, parts pricing, balance between service and installation, flat rate bonus plans, employee surveys, business planning, forecasting sales and budgets, business valuation and retirement issues.

# Workshop Logistics

## **What the Participants need to bring:**

1. Last fiscal year's financial statements and the latest financial statements for the current year. If possible, the dealer should have sales broken out by installation and service. Also, if possible, cost of sales should be broken out by installation and service (this includes equipment, materials, parts and supplies, labor, sub contractors, freight and warranty).
2. Payroll records (names and dates of employment for the current year; wage data as a sum, not for each individual employee).
3. A pocket calculator.
4. Pens and pencils, and note paper.
5. Two or three different colors of highlighter.

## **What Lodestar will supply:**

1. CD-ROM of the *Fiscal Fitness* software; this CD is compatible with Excel 2000 versions or later and contains *Fiscal Fitness* plus user's manuals and exercises in PDF format.
2. Name tent cards.
3. Sign-in sheet.
4. Software license agreement forms.

## **What the Distributor should supply:**

1. Print off the student workbooks from the PDF master supplied by Lodestar (44 pages).
2. VGA/SVGA/XVGA projector for the instructor's computer; screen; flip chart and two pads of paper. Other items per the Lodestar Engagement Agreement. (Contact Lodestar for a quote.)
3. A computer for each participant; computers should be set up with Windows XP or Vista and Excel 2000 minimum, and have a CD-ROM bay. If the dealers are asked to bring their own computers, they should meet this same minimum spec. Printers should be supplied (1 for every 3 or 4 computers) and a driver CD so each computer can be configured for the printer (if needed).

# How To Sell It To Your Dealers

Lodestar believes strongly in (and teaches) the use of SPIN<sup>®</sup> questions. Therefore, we recommend that this workshop be sold using a series of SPIN<sup>®</sup> questions. The following are offered as possible question sets to use. Feel free to use them or create your own.

## **Situation:**

Are you making money this year?

Are you making as much as you want to make?

## **Problem:**

Do you think it may be possible that some of your shortfall could be due to not understanding the financial information you get from your accountant?

## **Implication:**

If you don't get the training you need to quickly and accurately use your statements to run a better business, how do you think you'll ever start making the sort of profits you want to make?

## **Needs Pay-off:**

Suppose for a moment you had attended a workshop where you learned how to use your financial data to build a more successful business. Five years from now, what would you and your business look like? What would you be doing? What would you be enjoying now that you cannot afford to do now?

# Workshop Cost Estimating Sheet

Item	Quantity	Cost Ea	Net Cost	
Facilitation Fee (contact Lodestar)	1	\$7,000	\$7,000	
Travel expenses (estimated; from Lodestar)	1	\$1,000	\$1,000	
Workbooks (printed by distributor)		\$	\$	
Arrival refreshments		\$	\$	
First break		\$	\$	
Meal		\$	\$	
Second break		\$	\$	
Audio-visual: projector/screen	1	\$	\$	
Audio-visual: flip chart/2 pads	1	\$	\$	
Room rental	1	\$	\$	
“Trinkets” you may wish to give away		\$	\$	
Computer and Printer rentals		\$	\$	
Other:		\$	\$	
Total workshop costs			\$	
Less Co-op from Manufacturer			-\$	
Net Cost to Distributor (Costs less co-op)			\$	
Markup to apply to costs				
Total workshop selling price (cost x markup)				\$
Total expected attendance				
Charge per attendee (sell / attendance)				\$

# Sample Invitation Letter

Feel free to copy this letter (from Acrobat reader, select the text and Copy it, then Paste it into your word processor document).

---

One day, you're tooling along, just as busy and happy as a butterfly in a field of flowers, when suddenly, **WHAM!!**, you are hit by the windshield of a Ford F-350 truck doing 75 miles per hour.

Ever have a day like that? Sometimes, a financial surprise can sneak up on us like that F-350 and give us a pretty bad day. It would sure be great to be able to spot that F-350 before it got here, wouldn't it?

Well, it may be possible! We're going to conduct a workshop by a company called Lodestar Consulting. The course is called *Fiscal Fitness*, and it is designed to help you understand the financial ins and outs of your business with new clarity, speed and power.

*Fiscal Fitness* is a computer-based workshop that runs two days. We'll provide the computers [Or, You should bring your computer and printer to the workshop.] and printers; you provide yourself and/or your key managers, a pocket calculator, pens or pencils, and some note paper. It is also suggested you bring your year-end financial statements from your last fiscal year and the latest statements from this current year. (Don't worry—no one will ask you to share them. It is mainly to help you check your report structure against the standards shown in the class to be sure your reports can help you run an efficient company with a minimum of trouble.)

If you'd like, Lodestar will set up your first data file to use with the software (four weeks ahead of time). To take advantage of that service, you need to mail your year-end financial statements from last fiscal year to Lodestar along with a check for \$200.00 and Lodestar will hand you a CD and instructions at the workshop. (This would allow you to use your own data in the exercises rather than the hypothetical dealer data the program uses as a teaching tool.) Lodestar will return your documents too and pledges confidentiality with whatever information you provide them. (They won't even tell *me* what is in your reports!) Contact us for details on how to do this.

This workshop will be held on [dates] at [location] and will start promptly at 8:00 am both days. The fee for the workshop is \$\_\_\_\_\_ [and your co-op funds may be applied to the fee].

If you have questions, please contact [contact name at distributorship]. You can also visit Lodestar's website for more information on the course ([www.lodestarconsultinginc.com](http://www.lodestarconsultinginc.com)).

So call today and sign up. Space is limited to the first 24 people. After that, we close the enrollment!

[signature of distributor executive]

# Sample Confirmation Letter

Feel free to copy this letter (from Acrobat reader, select the text and Copy it, then Paste it into your word processor document).

---

This is a memory jogger to remind you that you are confirmed for \_\_\_\_\_ seats in our upcoming *Fiscal Fitness* workshop being held on [dates] at [location]. We have a computer reserved for you and your team [Or, Remember to bring your laptop and a printer.].

Remember to bring your year-end financial statements from last fiscal year as well as your most recent statements for this year to date. (No one will ask to see them.) If you had Lodestar prepare a data file for you, you will receive that file on a CD at the workshop.

Also bring a pen or pencil, some note paper, a pocket calculator, and a desire to focus intensely on your business for two days.

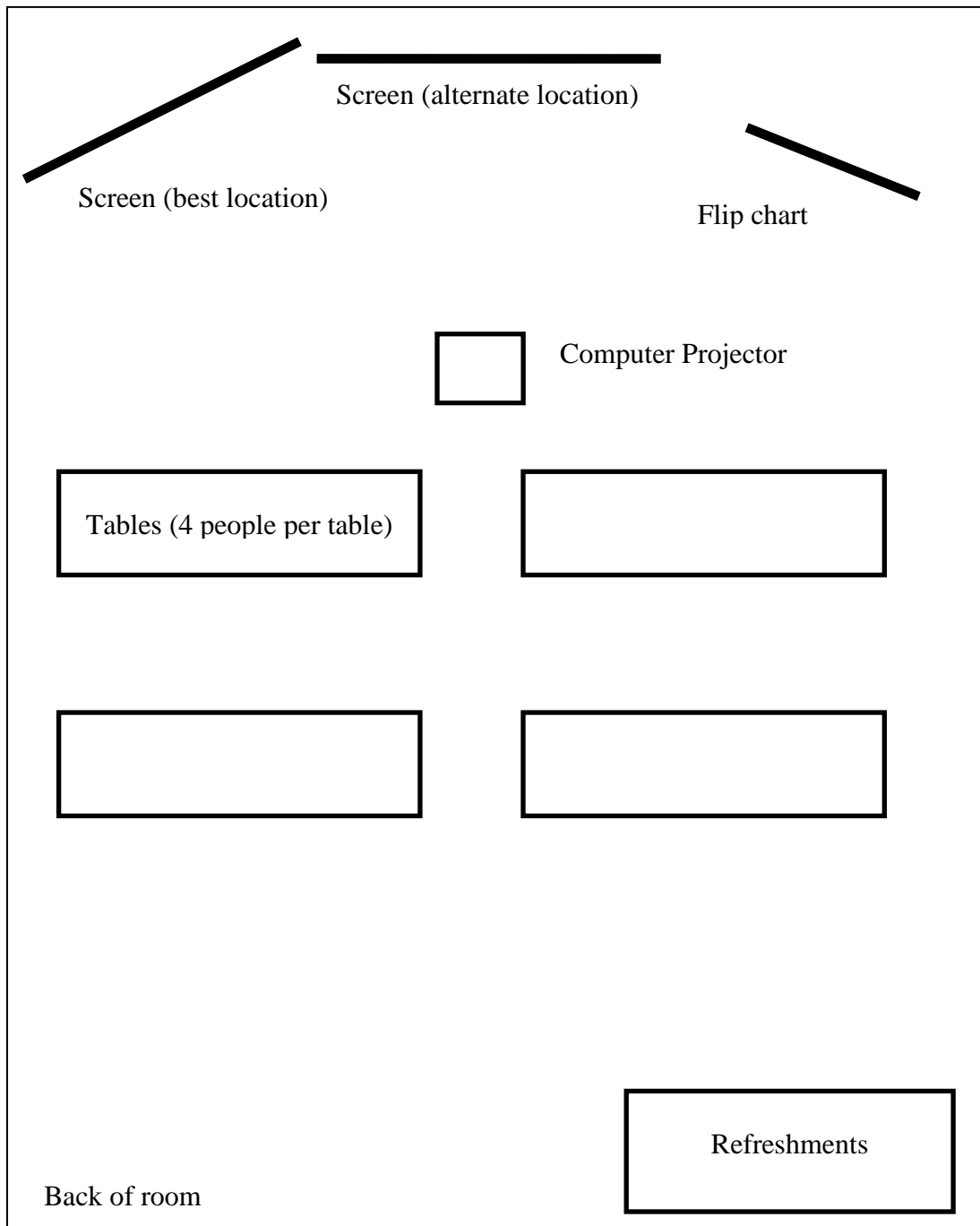
We know this will be an experience you will treasure for the rest of your life and we know it will help you make more money than you thought was possible. If you don't agree after you've attended the workshop, just tell us and we'll refund your money!

See you on the [date]!

[signature of distributor executive]

# Requested Room Layout

As much as possible, try to have the workshop room arranged along the following scheme:



If you will be using computers, please be sure to have adequate power arrangements set up.