



"People on their way to work baby what did you expect?"
Gonna burst into flame."



Tim's Thought Bubble

Burning Down The House: Science vs. City Hall

This Talking Head pays homage to the **Talking Heads** this month by saying I am psyched that I finally have science on my side! But can it prevail over the brain trust called City Hall?

You see, I get my undies in a bundle whenever I see speed bumps, roundabouts and medians retrofitted into subdivisions.

At the root of the problem are the Codes that require residential streets to be drag-strip straight and 5 lanes wide.

Ostensibly these Codes exist to ensure quick emergency response times.

Thing is, the speed-controlling retrofits dra-

matically increase emergency response times! Have you ever seen a fire truck navigate a roundabout or slow down for 3 speed bumps?

In a situation where seconds count, these retrofits only serve defeat the Code's logic and will cost lives long term.

What I'm excited about is the "risk compensation effect." This describes how animals tend to adjust their behavior to compensate for perceived risk. In other words, why people drive 42 mph down residential streets loaded with kids instead of the posted 25 mph.

This science has been adopted by twelve progressive American and European

cities.

Since pilot programs began that removed traffic signs, signals and barriers, accident rates have dropped 20% to 43%, speeds have dropped 5 mph and drive times declined by 10 minutes!

For developers curvy, narrow street make for more attractive and profitable plats that are easier to market.

For dwellers, curvy, narrow and slower streets are prettier to live on, and much, much safer.

Let's enjoy life more and do some more urban unplanning!

Cool Babies. Strange but not a stranger. I'm an ordinary guy!

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Special points of interest:

According to the Pew Internet and American Life Project, some 49% of Americans have relatively little use for the Internet and cell phones.

Lesson: It's NOT all about technology—at least not yet. This is a huge percentage of Americans and should impact the way you conduct your business and the media used to support it.

401(k) Blues: regs, transparency, suits

Large companies are joining class-action lawsuits against the retirement plan marketplace and small businesses are largely oblivious to their risks.

My good friends at **Interlake Capital Management** have

opened my eyes to the kickbacks, pay-to-play favoritism and production-driven sales practices that drive prices 30% to 50% higher than they should be.

Interlake's blog, **The Float**, has already been featured by

TheStreet.com and **The Wall Street Journal**.

If you are an employer who wants to avoid costly litigation, you should explore alternative arrangements aggressively and be prepared to document and defend your retirement plan selections.

The Power of Doing Something Different

Each month I write a point or two about marketing because a small, but growing part of my business is helping companies expand their offerings, add additional revenue streams, find new ways to use their assets, resources and expertise and repurpose dormant, undervalued or distressed elements of the business.

That said, this month I actually wasn't going to write about marketing but then I got one wonderful email that

inspired me.

The key word in the last sentence is one. You see, to stand out, you have to be different. In your market, understanding what everyone else is doing and then doing something different is the key to standing above the pack, dominating "share of mind" and ultimately commanding premium prices.

So when everyone sends out Christmas cards you send out Thanksgiving cards. Actually, Thanksgiving cards

are now de rigeur, so it's on to something else. Which segues me back to my point: I got one and only one Memorial Day card. How many did you get? None I bet.

Think about the recent postal price increase. Now is actually the time to mail more because many of your competitors are cutting their programs!

I am available on a *very* limited basis for marketing projects. Please inquire at (608) 270-9688.

The Wealth Barometer: Are You *Really* Rich?

Back when *The Millionaire Next Door* hit bookshelves it shocked Americans revealing that most millionaires dress and drive modestly—that the Beemer driving Yuppie crowd was all hat and no cattle, to turn a phrase.

I've read all of **Dr. Thomas J Stanley's** Millionaire books, and I've delved into some of his earlier works like **Networking With The Affluent** and **Marketing To The Affluent**. I highly recommend

$$\text{Your Age} \times .1 \times \text{Your Realized Annual Income} \\ = \text{Your Expected Net Worth}$$

them all.

The real barometer of wealth is defined by **Stanley** in the equation of expected net worth. According to the wealth equation, you are affluent if and only if your net worth is greater than your expected net worth.

So, how do you rate? The formula is above and I invite you to do the math. No matter the results, I think you should go to lunch with your financial advisor, either to get them to work for you, or to congratulate them for their good work.

How I'm Helping Others

Here's some of the things I've been up to recently...Connected a seasoned consumer goods CEO to three **head-hunters**...Have a **telecom** audit proposal in front of a Wisconsin School Board...Began two **utility cost management** projects for Madison-area office buildings...Helped a local start-up company fine-tune the "pain points"

it helps solve in it's marketing message...Finished implementing 35% aggregate **waste** savings for a Central Wisconsin company...Began a **small parcel** project for a small rehab and therapy internet retailer...Got verbal approval on two **small parcel** projects, one from a \$65million manufacturer of electrical connectors, another from

a \$1billion apparel company...proposed **copier and document output fleet** and **utility cost management** and **waste** projects to a \$1.7billion electrical, safety and MRO distributor...negotiating a **recycling** project with a \$1billion packaging distributor...Discussing a preferred vendor deal with a Midwestern Trade Ass'n.

Are Your A/P Controls Destroying Your Profitability?

There is a goldmine in closed fiscal years, but most companies don't like to admit the "profit leakage" that comes from A/P. However, our experience recovering 0.5% to 2% of payables testifies that it can be well worthwhile.

While Payables auditing changed dramatically with the advent of the modern accounting systems, there are still three main pain points that persist in every organization.

First, accounting systems have their own auditing modules built in, but sadly, they are easily overridden or circumvented by employees.

Next, sales and use taxes are almost never entered into the system, and what doesn't exist electronically can't be audited for electronically.

Last, companies spend a lot of time and money up front negotiating contract terms, but rarely if ever check to see if their vendors are billing to the contract terms several years on down the road.

Smart companies enlist a "fresh set of eyes," but often times shoot themselves in the foot in the process, if I

may mix metaphors.

The first mistake commonly made is to hire an auditor on a flat fee. While cost efficient, this eliminates any incentive for your auditor to go beyond the lowest hanging fruit. An A/P supervisor looking to protect their turf may sign such a deal, not wanting to look bad. Procurement might also be tempted to ink such a deal, but the best practice is to offer terms where your auditor receives a share of the recoveries. This provides them incentive to really dig up recoveries for you.

The second mistake is to hire a firm that conducts only electronic audits. While each company writes their own algorithms, you risk hiring a firm whose algorithms have the same strengths and weaknesses as your own system, and there's no way to test this ahead of time. In fact, it's a best practice to switch auditors periodically just so that your data can be scrubbed from different perspectives.

Remember also that what isn't in the system can't be scanned electroni-

cally. You want to hire a firm that does a manual audit as a compliment to the electronic audit. This is where we're finding 70% of our recoveries and where we can catch the sales and use tax paid in error. It's important to only hire vendors who provide manual audits that have a reputation for putting your files back in order as well.

Your auditor should also help you improve your controls as a part of the project. Look for auditors who provide a master claim schedule detailing all the individual overpayment claims, together with error coding, supporting documentation and possible causes. They should also provide customized recommendations to minimize the recurrence of the errors in the future.

Lastly, look for an auditor that can help you drop your costs going forward. While your accountant or a small local company can do your audit. Larger, national firms see a lot more contacts and can alert you to better deals your vendors are offering others in your industry. Often they can secure you similar terms as a part of the project.

Happy Gilmore Plays Croquet

Who can forget Happy Gilmore? Back in 1996, Adam Sandler played the wannabe ice hockey player with no talent other than a massive uncontrolled slap shot.

Events lure Happy to the golf course where, among other misadventures, he gets his ass kicked by Bob Barker in one of film's all-time classic funny fight scenes.

Well, now that the weather's warmer, Griffin's displaying a unique croquet technique that is remarkably similar to Happy's and I put a short video up on my web site.

Check it out at www.midasmanagementconsulting.com/HappyGilmore.html

I guess it's my duty as a parent to see

that Griffin is able to kick Bob Barker's butt if need be. As far as sports preferences, you all know I'm a soccer nut, but Anke and I agree that G can do whatever he wants once he learns to swim and gets some gymnastics for a sound athletic base.

Enjoy!

“People on their way to work baby what did you expect?”

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Tim vs. City Hall!!

Tim Johnson works with CEOs and CFOs of small to medium sized companies who are concerned they are leaving money on the table through inefficiencies and lack of management visibility tools.

Tim helps them identify and recover overpayments they may have made and then helps them implement best practices that may be lacking by leveraging seasoned industry expertise and tools.

His clients like that most projects are conducted on a no risk, performance basis with no upfront fees.

Recent examples of who he's working with are on page two.

Why Cardio Fails For Fat Loss

I have personally experienced a dramatic difference in the way that I exercise. Let me explain.

Some of you may know that I have been trying to lose that darned last 10 pounds of baby weight.

Well, going at it the way that USED to work for 20+ years wasn't putting a dent in my weight (however it was putting a dent on my energy level and certainly increasing my stress level). The way that I used to workout for fat loss was to do moderate running for 30 minutes 5-6 times per week, at a distance of about 4 miles daily, and about 3-4 weight workouts per week as well. As a



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mom, I just didn't have the time to commit anymore!

My stress level was increasing instead of decreasing because I was trying to lose the fat at this crazy pace while keep my life in balance.

A few months ago, I started reading the research on doing intervals to help with endurance, as well as increase fat loss. Skeptic that I am, I ignored the research and kept on plodding along with that extra 10 pounds.

Well, I'm happy to report that after only 3 weeks of steady, consistent "interval sprinting", I am already 4 pounds lighter, and my muscle mass has increased and fat has decreased! I have made no

changes in diet, as I already eat a sensible organic diet that works best for my body type and metabolism.

Long story short, if you want to reduce your time in the gym (or wherever you exercise) and increase your level of fitness WITHOUT placing unnecessary stress on your body, and make it fun, I suggest you try this interval concept.

I started out by decreasing my cardio workouts to 3 times per week for 30 minutes each time. But what I would do is alternate walking with a high burst of running at about an 8 or 9 out of whatever my "10" is that day for up to 2 minutes, and then walking again for 5-7 minutes. This would give me about 5 bursts per "session".

All this takes me about 4 hours less per week, and is much less taxing on my body. I feel stronger daily...really!