

# Structuring Your Business For Success

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The Importance of Proper Accounting While  
Scaling Your Business

# About Me - Mac Reed, EA, MSA



- Founder of Mac Reed and Associates, Inc.
- Federally Licensed IRS Enrolled Agent
- Graduate of Prairie View A&M University
  - Bachelors in Electrical Engineering (Spring 2003)
  - Masters in Accounting (Spring 2013)
- Member of Several Prestigious Organizations







**MacReed  
& ASSOCIATES**

**We empower you financially**

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## Our Mission

- Empower small business owners financially

## Our Threefold Vision

- Improve operations
- Increase profitability
- Improve cash flow

## Services We Offer

- Accounting/Bookkeeping
- Tax Planning and Consulting
- Tax Representation
- Virtual CFO/Controller Advisory Services
- Business Budgeting and Forecasting Services

# Our Clients

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## Client Types

- Small Business Owners
  - Startups up to over \$20M sales/annually
  - All 50 states and overseas
  - Serious and looking to grow/scale their business
  - All phases
    - No books,
    - Books are a mess, and
    - Accountant transition

## Industries Served

- Plumbers/Electricians/AC repair
- Doctors/Lawyers
- Churches/Non-profits
- Real Estate Agents/Investors
- Social Media Influencers/Advertisers
- Food Service/Restaurants
- And many more!

# Why Do We Work With Small Businesses?

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- High Failure Rate
  - 25% failure rate in Small Businesses before the end of the first year
  - 50% failure rate in Small Business within the first five years
- Common reasons we see why small businesses fail to grow/scale :
  - Inexperience in management/oversight
    - No accounting or records to support financials
    - Accounting is very poor, records do not represent the actual state of business
  - Compliance issues (taxes... etc.)
    - Unfiled taxes
    - Past Due/Outstanding taxes owed
      - The IRS and/or State will come shut your business down!



# Traits of a Successful and Growing Business

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1. Proper Accounting/Bookkeeping System
2. Understand KPIs – Key Performance Indicators
3. File and pay ALL taxes consistently

\*\*If you want your business to grow and be successful, you **MUST** have these three things in place.\*\*

**\*\*No EXCEPTIONS.\*\***

# 1. Proper Accounting/Bookkeeping System

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## What Accounting Does

- Reveals evidence of business health.
- Helps you make operational decisions.
- Assists you in receiving business loans or investment capital.
- Aides in completing accurate tax returns.

## What Accounting is NOT

- Giving your bank statements to your tax preparer on April 15th
- Using your business as your personal ATM
- Only keeping receipts in a box

# Why is Accounting Important?

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## Pros of Accounting

- It keeps score on your business performance (bookkeeping).
- Others can make decisions based on your results(financial statements).
- You can track it and make adjustments(financial analysis).

## Consequences of No Accounting

- You may not be profitable.
- You might not be charging enough.
- You may be spending too much.
- You may not be spending enough.



## 2. Understanding Key Performance Indicators (KPIs)

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- What are KPIs?
  - Help you determine the financial strength of your business.
- Required KPIs
  - Sales/Profit (Gross and Net Profit Margin)
  - Sales/Costs (Percentage of Sales)
  - Breakeven

# 3. File and pay ALL taxes consistently

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- What do I mean by ALL taxes?
  - Small Business owners in Texas must report, file, and pay the following:
    - IRS
      - Quarterly Estimated Taxes
      - 1040 (personal tax return)
      - 1065, 1120, or 1120S (business tax returns)
    - Texas
      - Franchise Tax and Annual Ownership report
      - Sales/Excise Taxes
    - Payroll Taxes – (for employees)
      - 941 monthly/quarterly
      - 940 annually
      - TWC (Texas unemployment)



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Ways to contact us:

Phone:

281-861-4494

Email:

[mac@mac-reed.com](mailto:mac@mac-reed.com)

Web:

<https://www.mac-reed.com/meet-with-mac>



# Questions

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