

Quote of The Day

"There is nothing so useless as doing efficiently that which should not be done at all."

(Management guru, Peter Drucker)

The Firm "Goes International"

We are pleased to announce our acceptance as members of IGAF Worldwide, one of the largest and most respected associations of independent accounting firms. This is in accordance with our policy and ongoing efforts to improve the range and quality of services to clients, while retaining our close personal relationships.

IGAF Worldwide is comprised of over 130 highly successful independent public accounting firms in over 50 countries. Founded in 1977, IGAF Worldwide provides its independent member firms with tools and resources to help them furnish superior accounting, auditing and management services to clients around the globe. The increasing globalisation of the Israeli economy, and the expanding international needs of many Israeli businesses and investors, will be well-served by this important alliance.

The Art of Communicating With Clients

Raphael Lapin (Author of "Working With Difficult People")

[With thanks to Selwyn Gerber, CPA, of Gerber & Co., CPA, LA]

Here are some excerpts from a recent research chat with this guru on getting the best out of prickly folks: (by Jane Wollman Rusell)

You write that people are often difficult because we allow them to be difficult. How so?

They're difficult when a vital interest of theirs is being threatened at that moment. Faced with a difficult person, the first question I ask myself is: What am I doing or not doing that's enabling them to be difficult? I take responsibility.

Why is listening to what clients are saying so important?

A mistake people make is that they talk more than they listen. They get into pitch mode and start pitching what they think would be appropriate: "Let me tell you what's good for you." Really good negotiators and salespeople do very little talking. They do some very good questioning and a lot of listening.

What's "active listening"?

One way to build trust is for the [client] to know that you've heard their needs and understood what they are. That means reflecting back to them what they've said: "Let me make sure I've understood you accurately. Is what you're saying A, B, C and D?" The response needs to be a nice, sharp, crisp "yes". Active listening is essential as a check for understanding.

How do you make clients listen to what you're telling them?

As much as 65 percent of what the talker says is missed by the listener because they're busy framing their response. How absurd is that - thinking up a response to something they're not listening to?

How critical is communication through body language?

First of all, the advisor should be aware of his own body language. It will either build or corrode trust. Obviously, it has to match your verbal language; otherwise, you'll come across as inconsistent and not trustworthy. You can't take that - you have to authentically be concerned. That means listening to the client, leaning in, making eye-contact. You can't say how concerned you are if, when the client is talking, you're checking your e-mail.

Improving Our Services

We express our gratitude to clients for consistently referring new clients to us. However, in order to continue to improve our services to you, we need your input. Any idea/suggestion will be appreciated. And, we'd like to hear what services from your accountant are important to you.

Dynamics of Business

Running a business, practice, clinic or corporation should be a dynamic, vibrant activity. If managing or running these becomes passive, mundane ("pareve") or settles into a regular routine, then there is an urgent need for review and self-examination. New ideas, overhauling inefficient or obsolete systems or products, injection of original marketing concepts and such like are the hallmark of the ongoing business or practice. No day, week or month must be allowed to pass without activating the thought processes and rejuvenating that business or practice.

If this is relevant, stop what you're doing now, sit down and THINK!

Interim Business and Tax Reviews and Planning

With the first five months of 2010 behind us, this is an opportune time to plan for business and tax reviews based on the results of the first five months, and forecasts for the rest of 2010, and we strongly encourage you to do so. AND!!! 2009 corporate and personal Tax reports are now due.

We will be glad to meet with you and discuss these and related matters; to this end, kindly forward interim financial results to us, together with a brief forecast/budget for 2010, including explanations. (We're waiting!)

At this time, do make sure of the following:

- Mikdamot (tax advances) are being properly reported and paid, or have been cancelled;
- Taxes are withheld at source from office/business rental, unless landlord has provided exemption or reduced tax certificate, and other payments to suppliers;
- Creative marketing now!
- Proper budgeting and cash-flow control - now!

Reducing Capital Gains Tax on Foreign Assets

Subject to certain conditions, it is now possible to obtain a tax pre-ruling on a "STEP-UP" in cost/value of foreign assets received as gifts or from an inheritance. The result of this may be a substantial reduction in taxes payable on the capital gain resulting from a subsequent sale of the asset as the "cost" of the asset may be deemed to be the market value at the relevant date, and not the "historical cost".

The conditions include:

- The donor of the gift or inheritance must be non-resident in Israel at the time of making the gift or on death.
- The asset is foreign.
- Proper application must be made per the "905" form. (strict terms)

However, there are also downsides to the "step-up" which may, in certain circumstances, render an application not worthwhile. As this is a major tax breakthrough, subject to the circumstances of each particular situation, we strongly recommend taking counsel on these matters.

Wills and Estate Planning

Since this topic is not accorded the attention it deserves, may we once again stress the importance, in planning your personal affairs, of periodic review of your last will and testament, and giving thought to the matter in which you have planned your investments, life insurance and cash resources, bearing in mind the needs of your family.