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NewsForum

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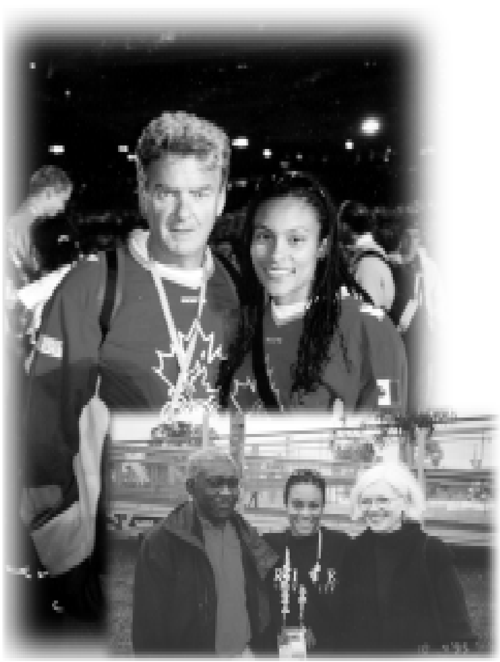
The Olympic Equation:
A Fox's Speed Plus Determination

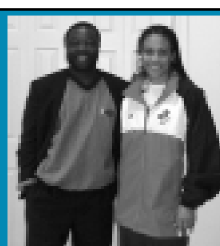


Margaret and coach Victor Lopez
Inset: Margaret with parents, Allan and Kathy

Margaret Fox, Olympic athlete in the 2000 Summer Olympic Games in Sydney Australia, had been dreaming about being an Olympic participant since she was only 5 years old.

Margaret, now 22, has been following in her older sister's footsteps since she was very young. Like her older sister, Pauline, Margaret has been competing in track and field throughout her academic years. Starting out in a small club in Guelph and pursuing her track and field ambitions throughout high school, her athletic abilities netted her a scholarship to Rice University in Texas where she entered the Olympic trials in her last year. Accustomed to running the 100 and 200 metre sprints, Margaret, nevertheless, tried out for the 4 X 400 relay to "see what she could do" and qualified for this event in the 2000 Olympics. Although Margaret did not want to undertake an event she initially saw as too daunting, her coach's encouragement, her intensive training routine, and her determination allowed her to finish the event in only 53.6 seconds, qualifying her for a position in the Olympics. Years of dedication and hard work saw Margaret finish 5th in the Nationals and earn a place on the Olympic relay team, a dream that she has been training hard for since she was 18.

Inside This Issue



Margaret continues to keep her eye on future Olympic games by training 3-4 hours a day.

Despite her rigorous training schedule, Margaret managed to keep up with full-time classes. Margaret agrees that her hectic schedule of school and athletic training makes realizing her immediate goals challenging. Her end goal, though, keeps her striving to do her best. With the 2000 Olympics behind her, Margaret wants to concentrate on her career aspirations. Although she graduated with a B.A. in Sports Medicine, Margaret would like to get her Masters in Sports Nutrition and enter this field, which she says is expanding rapidly.

For young children who dream of one day being in the Olympics, Margaret has three words for them: dedication, time, and effort. Margaret's dream became reality because she was willing to work hard, train hard, and endure. She says that with dedication and hard work and - most importantly of all - a positive mind set, anything is possible. Whether you're in school or on the track, concentrate on comparing yourself to your own abilities, not that of other athletes and always keep your goal in mind. Simply going after what you want can make the difference between a dream and a realization.

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Between herself and her other three siblings, Margaret jokes that they've probably tried every sport! But despite their heavy involvement in athletic pursuits, all four kids have taken their turn at the family business, Beaverdale Veterinary Clinic in Cambridge, owned and operated by her parents Dr. Allan Fox and his wife Kathy.

Currently, you can find Margaret taking a break from her regular routine by working alongside her father as a veterinary assistant. Margaret claims she needs time off to catch up on her sleep. Who can blame her!

By: Pam Lucier
Final Draft Publications

WSIB Set To Enforce Return To Work Obligations

By: John Austin

Safety Groups

An Opportunity to Enhance your Bottom Line

When Bill 99 was introduced in 1998, one of the key features was the new emphasis on the Workplace Safety and Insurance Board (WSIB) to prevent injuries and illnesses. Additionally, Bill 99 also provided for new incentive programs to encourage prevention. In line with these initiatives, the WSIB is introducing a pilot ***Safety Groups Program*** for 2000. The Safety Groups Program is a concept that emphasizes and gives credit for implementing prevention program elements into the daily business activities of an employer firm. It has been developed and modelled after the New Experimental Experience Rating (NEER) program, but with enhancements that allow for firms from similar or different businesses (or rate groups) to be measured as a whole.

Unlike the various experience rating programs that are imposed on employers (such as NEER, CAD-7, or MAP), the Safety Groups Program is being introduced on a voluntary basis. Additionally, for this pilot year, there will only be positive financial incentives for achieving successes and no punitive measures will be imposed. For employers participating in 2000, this should be a no-risk opportunity.

Most employers understand that workplace illnesses and injuries result in significant costs to the company. These costs are not only due to reduced experience rating refunds or increased surcharges, but they also include costs such as:

- training of replacement help
- property equipment or product damage
- downtime and reduced productivity
- administration and possible fines and prosecution

When an employer participates in a Safety Group Program, they will benefit from networking with other employers and sharing in each other's knowledge and experience. In addition to the expected reduction in indirect costs, participating employers will also share in a direct financial incentive. The Safety Group Program employs a two-tier model for its financial incentive. In other words, the incentive is an additional rebate paid to participants over and above their experience rating surcharge or refund.

Financial Benefits

Each Safety Group will be expected to develop and implement a prevention program and "Achievement List." This incentive (paid to the participants) will be based on the degree of success in completing the actions/elements contained in the group's *Achievement List*. In many respects, the process is similar to many employee performance and incentive programs – the employers state what they intend on doing and the reward is based on the degree to which the goals are achieved.

To determine the rebate, all participants in the Safety Group are pooled as one large firm. The WSIB will apply the NEER model to the accident costs and experience of the pooled group. For the Year 2000 Trial Program, the group will be experience rated using a 90 % experience-rating factor. Based on the results of the pooled group, the WSIB awards a rebate calculated on:

- the sum of the group's pooled NEER refund, less...
- the combined individual experience rating refunds *I* surcharge assessed each of the participants, multiplied by
- the percentage of achievement of the group's action plans

Assumptions:

- The combined total premium of the Safety Group is $5 million.
- The employer achieves 85% of its Action Plan.

It is not often that employers have an opportunity to participate in a "no-risk" incentive program. The Year 2000 Trial Program provides employers with a tremendous opportunity to profit from their "no-risk" involvement. These employers will also reap ongoing indirect savings from implementing and achieving new standards in health and safety policies and procedures within their workplaces. If you are looking for ways to improve the bottom-line, consider the benefits of participating in a Safety Group Program.

Estate Planning

Questions to Ponder

By: Barry Seltzer

This article is reprinted from the Forum and will deal with the first two of twenty questions to be printed in future issues of NewsForum.

What happens if I die without a will?

Dying without a will can have bitter consequences for your survivors. For example...

- The cost to administer your estate will likely be higher, particularly if no one knows what assets you have and where they are, and who your beneficiaries might be and where they are. Searches for assets and beneficiaries are expensive.
- The law will select your administrator - perhaps someone you would not have chosen. Or worse, the law may disregard the very person you would have selected.
- Government guidelines will decide the distribution of your estate, without regard to your intentions or your beneficiaries' needs.
- All amounts will be paid out to the beneficiaries as soon as they turn eighteen, whether you desire that or not.
- Children will be treated equally, whether or not you would have chosen that.
- There may be unnecessary taxes.
- Your spouse's share of the estate may be smaller than you intended.
- Inheritances of minor children will be administered by the children's lawyer, a government appointee.
- The Succession Law Reform Act makes no mention of a common-law spouse, referring only to people who are legally married. Without a will you may indeed have a claim on your common-law spouse's estate, or at least a part of it, but you will probably have to spend a considerable amount of money on lawyer's fees to go after it.

Can I write my own will without a lawyer?

In a few provinces, including Ontario, you can make what is known as a holograph will: a document written entirely in your own hand and signed by you, no witness required. Bear in mind - if you type it, the will is not a holograph and is probably invalid.

KPI: Monitoring The Pulse of Your Business

By: Carl Clappison

What percentage of the time was the Apollo 11 on course to the moon in 1969?
If you're like most people you're thinking, "well surely most of the time because they got there!" However, the records show something entirely different. In fact, that flight was on course *just 3%* of the time. So 97% of the journey was spent off course and yet they still achieved their goal. How was that possible?

Simple. "Check & Correct." That flight crew had to monitor every aspect of their flight at every moment: fuel, burners, equipment, oxygen, air temperature, travel speed, you name it. So all they did was continually check and then correct to get back on course. The entire flight from blast off to landing on the moon was spent checking and correcting, checking and correcting, to guarantee they achieved their goal.

How do you stay on course and take the pulse of your business?
In business, the instruments, gauges, and gadgets those astronauts were monitoring are called "Key Performance Indicators" or "KPIs." KPIs afford you the same opportunity to achieve your goals. Better yet, you don't even have to do them moment to moment in a life or death situation!

The power of KPIs comes from a simple concept: *what you can measure you can manage*. KPIs mean you know where you stand at any given moment and can adapt or change your strategy to improve your results right there and then. It's like taking the pulse of your business. So instead of waiting for quarterly figures to discover that your productivity was down or your marketing pieces and sales process aren't delivering what you need to achieve your revenue goals, you know day by day or month by month and can adapt as you go. That means dramatically better results overall.

What are your Key Performance Indicators?
Your Key Performance Indicators might be number of customers per week/month/quarter, average transaction value, percentage of receivables, sales compared to capacity, or productivity compared to capacity, number of items or services sold per customer, and so on. Ideally your KPIs need to be tailored to your business and should track those things that clearly tell you at a glance how you business is traveling.

KPIs mean you know where you stand at any given moment ... it's like taking the pulse of your business

Conversely, if you're not measuring your KPIs, how will you know if you're on or off track at any given moment? And if you don't know the answer to that question it's unlikely you'll achieve your goals. Think of it this way: if those astronauts were not checking their course KPIs and correcting for them every moment, man wouldn't have made it to the moon. What are you failing to achieve because you're not utilizing your KPIs fully?

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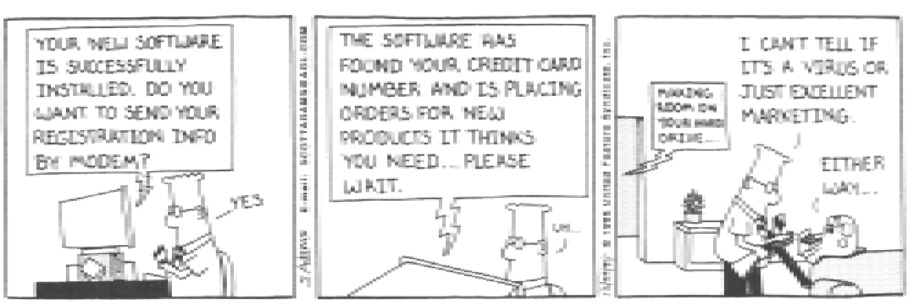

Reprinted from The Dilbert Future

Health Clinic

Understanding Cholesterol

What is cholesterol?

Cholesterol is a pearly, waxy odour-less substance that's essential to human health. Once in the blood, cholesterol has to combine with protein in order to travel through the blood-stream. These combinations of proteins and cholesterol are called "Lipoproteins."

The so-called good form of cholesterol is called High Density Lipoprotein (HDL). It picks up cholesterol from the cells and artery walls and takes it back to the liver for removal from the body.

The so-called bad cholesterol is Low-Density Lipoprotein (LDL) and an excess of it may result in fatty deposits on your artery walls, allowing less blood to flow through your arteries. If the arteries become too narrow and a number of other factors are present, the chances of experiencing health difficulties (including cardiovascular disease) increase significantly.

Cholesterol is useful:

- It helps produce hormones
- It's required to make Vitamin D
- It's necessary for digestion and absorption of fat

But...
Problems arise when there is too much cholesterol. Blood cholesterol is usually linked to what we eat, specifically consumption of saturated fat (fatty red meats, butter). Your body uses saturated fats to manufacture more cholesterol than it needs.

What you can do to help yourself:

- Lower the amount of "bad" or LDL cholesterol in your system
- Reduce fats in your diet
- Increase fibre intake
- Quit smoking
- Exercise regularly
- Maintain a healthy body weight

President's Corner

Disabilities Could Disable Your Business

April of this year will be my thirteenth anniversary in the business of protecting and preserving the value of businesses and families. I remember in those early days when almost all agents placed emphasises on dying. I begged to disagree. I have (right from the onset) believed that equal importance should be given to disability - the subject matter on which I have written several articles. And at no time is this issue of disability more true than today when morbidity (disability) is up and mortality is down.

Recently, after reading one of my articles, an accountant arranged a meeting between me, himself, and his three clients. One of his clients, the Vice President of Sales had been diagnosed with melanoma about a year ago and revenue dipped considerably because of his absence. They are now unable to buy him out because the cash is simply not there.

This case has prompted me to reproduce the following article which I wrote at the request of The Record a couple of years ago.

Disability of a Key Partner Can Leave Firm Floundering

Layola stormed out of a meeting with his friend and bank manager, threatening to sever all relationships between the bank and his company. He was unhappy because the bank had declined him a loan to finance the buyout of his partner, Monday.

Monday, who suffered a stroke a year ago, now has blurred vision and is partially paralyzed. He will be unable to return to the business.

Fifteen years earlier, when the two started a small but profitable machining business, no one had expected a disability could be so devastating.

Monday, the majority shareholder (with a 75 % ownership stake), is the president and responsible for administration and inside production. Layola (the 25 % owner) is vice president and responsible for the sales.

But since Monday's disability, Layola has been working twice as many hours and must continue to give Monday 75 % of profits, even though sales have dropped considerably. Overtime costs are rising and supplier and customer dissatisfaction, as well as employee problems, are at an all time high.

A Shareholder agreement or a buy-sell agreement usually defines the options and obligations of each shareholder when a business ends because of disagreement, death, disability, retirement, or when a shareholder just wants to sell his or her shares and move on.

Disability should be given equal importance ... today when morbidity is up and mortality is down

The disability insurance buyout section of the agreement should define how long a disability must last before a buyout is triggered. In most cases, a 12-month waiting period is suitable. It should also spell out what is meant by the word *disability* to avoid any disagreement between the shareholders. In addition, the purchase price of the shares, or the formula to be used in determining it, and the mode of payment (lump sum over a period of time, usually five years) should also be defined.

It is also recommended that a disability buyout policy be individually owned - rather than corporate owned - since it does not have the tax advantages a corporate owned life insurance buyout policy has.

The shareholder agreement that was designed for Monday and Layola when they started the business only provided for a direct buyout of a deceased shareholder's shares, with proceeds from a criss-cross life insurance policy purchased on the lives of the two owners. It also provided that in case of disability or retirement of one shareholder, the disabled or retiring partner's shares will be bought out over five years. It probably did not occur to the drafters of the agreement that a disability, like the death of a key person, could virtually spell doom for a company.

According to the U.S. Financial Advisor magazine, "the four killers of those 45 to 65 years old - hypertension, heart disease, cerebro-vascular disease, and diabetes-are now more likely to disable than kill."

It therefore only makes sense when drafting shareholder agreements that careful consideration be given to the potential for disaster in the event of a disability and to the appropriate response for the individuals involved.

About the Company

Need help through the insurance planning maze? We at Numekevor & Associates can help your company through business succession planning, disability and health risk management, creative group benefit plan design, and individual estate creation and preservation ideas. We can be reached at (519) 621-4422, 1-800-964-8797, or via email numassoc@golden.net

About the newsletter

This newsletter belongs to our clients. We at Numekevor & Associates hope that **NewsForum** will foster an opportunity for discussion which will enrich your business and family lives. This newsletter is published twice a year.

Publication dates are January 1 and July 1. We welcome submissions from our readers in the form of original articles, photos, or original artwork. Submission deadlines are the last week of November and the last week of May. Submissions may be typewritten, supplied on disk (saved as a RTF file, please), sent via E-mail to numassoc@golden.net, sent via Canada Post, or sent to the office at 193 Pinebush Rd. Suite 200, Cambridge, Ontario, N1R 7H8. We reserve the right to edit articles for length and clarity.

What is New

After several months of research and hard work, our website will be up and running in the early part of this year. You will be able to check us out at **www.numassoc.com**. The unique thing about our website is that this is a "Community Forum" for us all to share ideas - about your company's favourite charity, sports tournaments, a unique idea that worked for you about raising a child, etc etc.

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