

Numekevor & ASSOCIATES INC. News Forum

January 2004

RG CUSTOM MANUFACTURING INC. A Great Place to Learn

RG Custom Manufacturing Inc. named after its President Richard Grubb (Rich, as he is affectionately known), is a modest size general machine shop that offers machining, welding, and assembly to a diverse customer base, but specializes in Turning and Milling. Located at 110 Turnbull Court in Cambridge, this 5000 square foot shop (soon, Richard tells us, it will be expanded another 2500 square feet) employs about 20 and serves as the training ground for many of his current employees.



A three year paid apprenticeship with Rich Grubb is the norm in his shop. It was, after all, the way he got his start in the industry. Only one in every six who come to him for training work out and there are no longer any wage subsidies available, but in spite of the challenges posed, Rich wouldn't do anything differently. His best machinists, he states, have started there as an apprentice, learning their trade from the shop floor up. To date, he has had several students from local high school co-op programs go through his program and earn their general machinist certification. Although there is a well-known trade shortage in Ontario, Rich says the challenges his apprentices are offered, the progress they make during that 3 year period, and the money they can make in this industry are the reasons they stay.

Although RG Custom Manufacturing has been ISO 9002 certified since 1997, Rich's customers should take more comfort in the fact that general machining has been something Rich has been doing all his working life. After finishing High School, Rich examined his educational options. He could go to college or university, or he could enter the workforce. He chose the latter and has never had any regrets. In fact, Rich said he gained a wealth of knowledge through on the job training. Since the age of 18, he has worked in the real world, he

proclaims proudly. For the first 10 years he received his hands on training for an engineering department, while he apprenticed at two places. He completed his apprenticeship at what is

now the AG Simpson building. When these jobs were taken to a Sherbrooke Quebec Plant, Rich and a couple of his co-workers decided to stay at a training centre on Sheldon. He's never looked back. Today, he operates his own business, offering his over 2 decades of skills and experience to customers ranging from automobile and nuclear to the electronics industry. However, the bulk of his business is focused on original equipment manufacturers, with RG's biggest clients concentrated in Canada. Although, word of the quality work Rich produces garnered him a client in the United States last year.

What accounts for Rich's success as a business owner? In part, Rich's attributes his growth to his own philosophy, "Never say no to any job." Although this philosophy lends itself to its own challenges - you often get the jobs others say no to - if you do a good job, it will lend itself to more business. Even though Rich is currently in the process of growing - as we speak he is working on acquiring state of the art equipment - he no longer needs to sleep in the shop, as he was known to do when his business was young! Now he has more time to spend with his young children.

When not working on growing his business, Rich enjoys playing taxi driver for his three children, Kristin, 13; Marissa, 8; and his youngest, Aaron, 5. When not shuttling his kids between hockey and ringette, he enjoys watching a movie with his wife, Kim. Rich may, in fact, be likened to Mel Gibson's character in Rich's favorite movie, Braveheart. In business, he is hard working and persistent. These are qualities, Rich insists, will serve you well, because in business you lose a lot. The secret to success, he concludes, is to learn from these losses and move forward.

Pam Lucier, Final Draft Publications

Inside This Issue

Great Place to Learn	1
The Webers	2
New Breed of Consultants	2
Coupling Up	3
Health Clinic	3
President's Corner	4



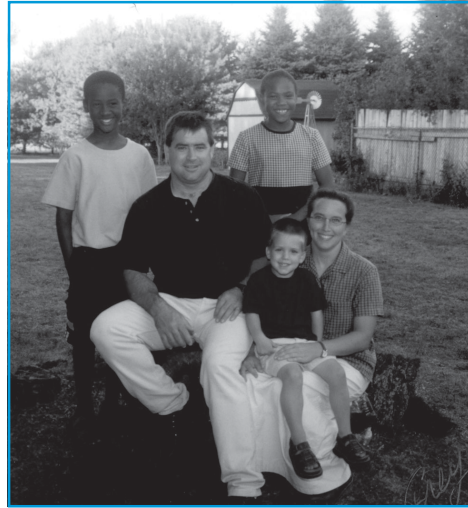
Our Clients' Side

By: The Webers

We are the Weber family: Doug, Maria, and our three kids Jaimie, 9; Josh, 8; Nicholas, 3.

We live in the Stratford area. Doug works in the construction industry at Way – Mar Inc. Maria is a full time mom and teacher. (We home school.)

We have spent 4 years in Haiti working with a church mission organization. When we look back at that time period there is no doubt in our minds that those were the best and most pivotal years of our life. The organization we worked with is Christian Aid Ministries. They work with schools and churches. Our responsibilities were with the school program, which subsidized cost of school books, and teacher's salaries, and provided food to the schools for a hot lunch for the students. For most of them this was the only meal they would get that day.



**From top left to bottom right:
Josh, Doug, Jaimie, Nicholas, Maria**

The country of Haiti is a very poor country with large population of people for the land area. We spent most of our time in and around the capital, Port-au-Prince. We did get out into the provinces on short excursions, some of these trips were to visit friends we had learned to know and some of them were work related. It was always nice to get out of the smell and business of the city and yet we always felt as if the cultural change from the city to the country was as great as going from North America to Port-au-Prince.

One of the highlights is the amount of sunny days you get there. We especially think of it this time of year as we're entering the cold weather. When tourism was flourishing in Haiti during the Duvalier days, the hotels would advertise; "If you don't see the sun each day you get a free night on us." Very rarely did they lose.

We enjoyed our stay there and have many fond memories from that time. We were able to adopt our two oldest children there. It was, & continues to be, the best part of our experience in Haiti. We thank God for giving us that opportunity and leading us there. If you would like a short mission

experience there are many opportunities of service in Haiti. We are blessed most by giving of ourselves to help others.

Doug is Vice President and one of the owners of Way-Mar Inc., specialists and leaders in residential and commercial renovations.

New Breed of Consultants Back Themselves

Do you suspect you are paying more than you should for business overheads - stationery, printing, business insurance, telecommunications, couriers, cleaning and maintenance products, computer supplies and the like, but do not have the time to shop around or negotiate better prices?

Then you could be interested in an unusual service offered by Expense Reduction Analysts International (ERAI). And with a mission to save money the results of ERAI's efforts go straight to the bottom line. What is so unusual about the service is how they are paid. ERAI work on a "results only" basis receiving 50 cents for every \$1 they save their clients during the eighteen months following implementation of ERAI's recommendations. After that, all savings are the clients.

Though relatively new to this country, ERAI was started in the United States fifteen years ago by Minneapolis accountant Paul

Wirtz. Today it has a network of Associates throughout twenty countries including the U.K., France, Germany, Italy, New Zealand and Australia.

Its reputation for saving overseas businesses millions of dollars attracted the attention of accountant Ross Pinkerton and led to him establishing an ERAI operation in Canada five years ago. "Even business owners who think they are running a tight ship are intrigued by our 'no savings - no fee' proposition" says Ross Pinkerton, President of ERAI Canada, "and it is a lot easier to get their attention when you talk to them about saving rather than spending money."

Internationally, ERAI has consistently saved its clients in the vicinity of 25% on office supplies, 20% on courier charges, 25% on printing charges, and 20% on photocopier purchases.

According to ERAI, overcharges are often the result of many apparently insignificant price increases over a long period. The cumulative affect of regular price increases can be significant as is the resultant impact on hard earned profits.

Identifying 'value for money' vendors, a function ERAI routinely performs, requires considerable research and time - a luxury that most owners and executives cannot afford due to the scarcity of time and expertise. "Business owners and executives simply don't have time to shop around or negotiate the best price," says Pinkerton, "Our strength is that we have all this information at our fingertips. As trained cost management consultants we know how to drive a hard bargain for our Clients, saving not just money but valuable time, considerable energy, and stress."

Jeff Bradshaw is a CA and cost management consultant. He has been a financial leader for both private and public manufacturing and service companies. You can contact him at 519-747-0342 or jbradshaw@eraicanada.com.

Coupling Up

Protecting Assets in a Common-Law Relationship

Divorce is handled at the federal level, but division of property falls under provincial legislation. "If you are married, there is a regime in place in Ontario that you can use to calculate how the property between the two parties will be divided," Goldhart explains. When a common-law couple separates they do not fall under this legislation, but would have to simply battle it out in court. "The courts have been clear that they divide joint property half and half," she adds.

And now part two ...

Though Gwen's house is in her name alone, it's still important to include it in the agreement. "Not only is the house hers, no doubt he's renovating the basement and putting in a new kitchen," Goldhart says. "She's going to want to protect herself from

If a couple is together for three years or more, or if they have a relationship of some permanence and share a child, that will give rise to spousal support rights.

him saying that he's increased the value of her house by enhancing it." Daniel may not only take on a huge renovation project in the house, he might do little projects over the years. "You have to cover all that off in the agreement," she said.

Daniel also needs to protect his small business. Though it doesn't currently generate a high income for him, he anticipates his business will one day take off. The cohabitation agreement should also state that Gwen has no rights to the business.

Even though there are no property rights automatically given to unmarried couples, there is legislation for spousal support rights. "If a couple is together for three years or more, or if they have relationship of some permanence with a child, that will give rise to spousal support rights," explains Goldhart. If the relationship dissolves after three years, Gwen could be at risk as Daniel may seek spousal support from her.

While many younger Canadians start their conjugal life through a common-law relationship, most will get married. An estimated 73% of men and 78% of women aged 30 to 39 are expected to marry at some point in their lives. Cohabitation agreements automatically become marriage contracts when a couple ties the knot, adds Goldhart.

Older Canadians look to common-law relationships to begin their second union. Those who have married once are twice as likely to choose common-law union over marriage for their second union, while those whose first union was a common-law relationship are 14 times more likely to do so again. The second time around usually includes blended families, child support agreements and spousal support agreements. A cohabitation agreement at this later stage in life can be even more important as assets and beneficiaries build.

For Gwen, however, though she hates to add another expense to her budget as she packs her things to move into her new home, she knows it's a small price to pay in order to protect her most important asset.

Jennifer McLaughlin is assistant editor of Advisor's Edge.

HEALTH CLINIC

Healthy Miracles of Coconut Oil

By Bruce Fife, N.D.

Coconut oil has been called the healthiest dietary oil on earth. If you're not using coconut oil for your daily cooking and body care needs you're missing out on one of nature's most amazing health products.



Because coconut oil is primarily a saturated oil, it has been blindly labeled as bad. However, researchers have clearly shown that the oil from coconuts, a plant source, acts differently than the saturated fat from animal sources. The oil from coconuts is unique in nature and provides many health benefits obtainable from no other source.

What Coconut Oil DOES NOT Do: * Does not contain cholesterol. * Does not increase blood cholesterol level. * Does not promote platelet stickiness which leads to blood clot formation. * Does not contribute to atherosclerosis or heart disease. * Does not promote cancer or any other degenerative disease. * Does not contribute to weight problems. Each health benefit is explained and fully documented by scientific research.

What Coconut Oil DOES Do: * Reduces risk of atherosclerosis and related illnesses. * Reduces risk of cancer and other degenerative conditions. * Helps prevent bacterial, viral, and fungal (including yeast) infections. * Supports immune system function. * Helps prevent osteoporosis. * Helps control diabetes. * Promotes weight loss. * Supports healthy metabolic function. * Provides an immediate source of energy. * Supplies fewer calories than other fats. Improves digestion and nutrient absorption. * Has a mild delicate flavor. * Is highly resistant to spoilage (long shelf life.) * Is heat resistant (the healthiest oil for cooking.) * Helps keep skin soft and smooth. * Helps prevent premature aging and wrinkling of the skin * The oil in coconuts has been found to aid the body in destroying dozens of harmful viruses including hepatitis C, herpes, and HIV. In this book you will discover the many healing miracles of coconut oil.

Read more at www.tropicaltraditions.com.

Top five list of things to say when caught sleeping at your desk!!!

5. "I was doing a highly specific Yoga exercise to relieve work-related stress. Are you discriminatory toward people who practice Yoga?"
4. "Darn! Why did you interrupt me? I had almost figured out a solution to our biggest problem."
3. "The coffee machine is broken..."
2. "Someone must've put decaf in the wrong pot..."
1. "... in Jesus' name. Amen."

President's Corner When the Will isn't the Way



In our last issue (July 2003), I discussed the need to address joint bank accounts through estate matters in a will rather than leave it to the bank manager. In this issue, I will discuss some estate planning strategies you can use when you are alive. Here again is an article from the archives, Advisor's Edge.

For many years we as financial and insurance advisors have been counselling clients to make a properly prepared and executed will the corner stone of their planning. However, while it's always important to have a will, sole reliance on one can create significant problems.

Problem #1

Wills don't guarantee the result.

A will only becomes legally effective from the date of death. The logic is inescapable. At the point the will becomes binding, the person is dead and therefore not able to clarify, correct, or amend what should be done. This makes it relatively easy for surviving relatives to challenge a will based on statutory noncompliance ambiguity of the wording and the will creator's lack of mental capacity.

Canadian provinces and most U.S. States also have wills variation legislation which allow judges to use their discretion to rewrite the terms of a will based upon what they have perceived to be "fair."

Determinations are made on the basis of the circumstantial evidence and arguments presented by competing claimants. **Where there is a will, there is a relative.**

Problem #2

Wills aren't confidential.

Having a will also guarantees full and complete public disclosure of all assets and liabilities on death- a problem for some clients. When a client dies, as a part of the estate administration process, it is necessary to file a complete and full inventory of all assets (including values) and all liabilities with the Surrogate Court of the relevant province. This information becomes a matter of public record and can be accessed for a nominal search fee by any member of the public.

Problem #3

The probate process can be time consuming and expensive.

Depending on the size and complexity of a person's estate, the probate process can drag on. Time frames of one to two years are common. If there are any challenges to the will, the process can take even longer and eat up a substantial portion of the estate in legal fees. In addition to potentially significant legal and court costs, government-imposed probate fees (or estate administration tax) have increased dramatically in the last few years. With the exception of a possible offset in some jurisdictions for the amount of the mortgage on a principal residence, there are no other deductions, offsets or exemptions from probate fees. The historical cost or cost of acquisition is irrelevant. The only issue is determining the fair market value of the estate and applying the applicable percentage fee to the amount. For example, if a married person used borrowed funds of \$100,000 and bought an investment worth \$100,000 just prior to his or her death and left the portfolio to a surviving spouse, probate fees would be levied on the \$100,000 (irrespective of the liability for the loan or whom the property is left to). If the spouse then dies one month later and left the same \$100,000 portfolio to another person, probate fees would be levied again on the same \$100,000 - clearly a double tax.

Problem #4

The law relating to wills varies across jurisdiction.

As a result, a will that is valid in one jurisdiction may not be recognized in another, or may be subject to different rules. As a result, several wills may be required. Apart and separate from the additional effort and the expense this creates, whenever more than one will is in existence, potential conflicts can arise between respective wills.

Solutions, Part 2 to this article, will be printed in my column in the next issue.

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; email@numassoc.com, or check out our website www.numassoc.com**

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. 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.

THE ROTARY FOUR WAY TEST

Of the things we think,
say or do:

First-Is it the TRUTH?

Second-Is it FAIR to all concerned?

Third-Will it build GOODWILL and BETTER FRIENDSHIPS

Fourth- Will it be BENEFICIAL to all concerned?