



**SPECIAL POINTS OF INTEREST:**

- Are you the lowest price in town?
- Referrals and other tid-bits
- What's on Buster's mind this month?
- It's not what you say, but how you say it...

**INSIDE THIS ISSUE:**

Avoid the Wal-Mart Trap	1
Well of Course: It Begins With April Fool's Day!	2
Top 10 Funniest Marketing Screw Ups	3
Buster's Corner	3

# Taxing Times

*Dedicated to helping our clients keep the money that belongs to them through a focus on tax.*

VOLUME 5, ISSUE 5

MAY 2013

## Avoid the Wal-Mart Trap

*"Do what you fear most and you control fear." -Tom Hopkins*

The week of April 15<sup>th</sup> was pretty tumultuous for the country -- the marathon bombings, the Boston lockdown, North Korea, ricin mailers, etc. -- almost such that some didn't notice that gold markets and the Dow both took quite a fall that week, as well (which doesn't usually happen together).

**So, it's fair to say that there is still a lot of fear on Main Street.**

**And I must say that I believe too many small businesses are responding to this fear by giving in.**

I've addressed pricing before, but I thought I'd take the time to go after it with a different spin, and encourage my clients and business owner friends to not join the madding crowd...

A normal conversation with my small business accounting clients -- how to price their services. You see, often, we might hear consumers say, "Well I would buy it if it were in my price range."

And that idea tempts many business owners to lower their prices -- just to sell more products.

However, as you already know, price reductions sometimes create more problems than they solve. **And they're extremely tempting during a recessionary cycle.**

But you should know what price reductions can do to you. They...

- \* Decrease net profits
- \* Lead to the purchase of lower quality products
- \* Increase customer demands to drop the price even lower!
- \* Require even more sales to make up the difference in revenue
- \* Need a larger quantity of products
- \* Negatively impact customers' perceived value of the products
- \* Make it more difficult to raise prices back up later



**And, in the end, as John Jantsch (author of Duct Tape Marketing) says, "There will always be someone willing to go out of business faster than you."**

Remember this: **price is not a benefit.** The close of a sale is not determined on the cost of your product. If you truly "sell" your customers and prospects, they will purchase your products/services no matter what price you determine.

That's the plain truth -- and you've probably seen it in action, even in your own purchasing patterns.

If a customer or prospect doesn't buy--and they claim the cost had something to do with it--you can guess they probably wouldn't have purchased anyway.

**Continued on back cover ➡**

## Well of Course: It Begins With April Fool's Day!

Like it or not, you have to pay your income taxes. The trouble is that understanding taxation requires a genius mind. Even Albert Einstein admitted, "The hardest thing in the world to understand is the income tax." So, at least for now, we are through wading through reams of paperwork and trying to make sense of the tax mumbo-jumbo. We want to share with you some funny tax quotes. Share them with a friend of yours over a cup of coffee. If the coffee doesn't perk you up, these tax quotes will.

### Mark Twain

The only difference between a tax man and a taxidermist is that the taxidermist leaves the skin.

### Will Rogers

It is a good thing that we do not get as much government as we pay for.

### Benjamin Franklin, *Poor Richard's Almanac*

It would be a hard government that should tax its people one-tenth part of their income.

### Robert A Heinlein

Beware of strong drink. It makes you shoot at tax collectors... and miss.

### Arthur Godfrey

I am proud to be paying taxes in the United States. The only thing is, I could be just as proud for half the money.

### Albert Einstein

[on filing tax returns] This is too difficult for a mathematician. It takes a philosopher.

### Herman Wouk

Income tax returns are the most imaginative fiction being written today.

### Milton Friedman

Congress can raise taxes because it can persuade a sizable fraction of the populace that somebody else will pay.

### Will Rogers

The income tax has made more liars out of the American people than the game of golf.

### Winston Churchill

There is no such thing as a good tax.

### Dr. Laurence J. Peter

America is a land of taxation that was founded to avoid taxation.

### Albert Einstein

The hardest thing in the world to understand is the income tax.

### Ronald Reagan

The taxpayer: that's someone who works for the federal government, but doesn't have to take a civil service examination.

### G. Gordon Liddy

A liberal is someone who feels a great debt to his fellow man, which debt he proposes to pay off with your money.

### Robert Dole

The principle involved here is time honored and true: and that is it's your money.

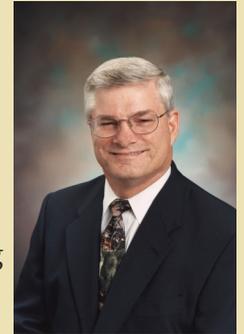
### Rob Knauerhase

Isn't it appropriate that the month of the tax begins with April Fool's Day and ends with cries of 'May Day!'?

*A tip of the hat to About.com for compiling these tax quotes.*

## Looking for Someone You Can Rely On?

We really believe in the process of referrals, so part of the service we provide is to be sure to refer our clients and associates to other qualified businesspeople in the community.



Below, you'll find a list of areas in which we know very credible, ethical and outstanding professionals. If you're looking for a professional in a specific area we've listed, please feel free to contact us. We will be glad to put you in touch with the people we know who provide these services.

- ↳ Chiropractor
- ↳ Civil Engineer
- ↳ Florist
- ↳ Personal Trainer
- ↳ Printer
- ↳ Window Treatments
- ↳ Cultured Marble
- ↳ Massage Therapist
- ↳ Mortgage Lender
- ↳ Dirt Hauler
- ↳ Realtor
- ↳ Web Developer
- ↳ Advertising Specialties
- ↳ Attorney
- ↳ Financial Advisor
- ↳ Remodeler
- ↳ Funeral Service Counselor
- ↳ Business Coach

If and only to the extent that this publication contains contributions from tax professionals who are subject to the rules of professional conduct set forth in Circular 230, as promulgated by the United States Department of the Treasury, the publisher, on behalf, of those contributors, hereby states that any U.S. federal tax advice that is contained in such contributions was not intended or written to be used by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer by the Internal Revenue Service, and it cannot be used by any taxpayer for such purposes.

### Reach Out to Our Radio Listeners

Richard is the co-host of "Safe Investing in the New Economy" with Jim Byrd. The show can be heard each Sunday evening at 6:00 pm on WAVH FM Talk 106.5, each Tuesday morning at 10:05 am on WABF 1220 AM and each Saturday morning at 10:30 am on WBHY 840 AM and 103.5 FM.

If you're interested in reaching our listeners, then talk to Richard about a sponsorship package. Only a limited number are available.



## Top 10 Funniest Marketing Screw Ups

10. When Parker Pen marketed a ball-point pen in Mexico, its ads were supposed to have read, "it won't leak in your pocket and embarrass you." The company thought that the word "embarazar" meant to embarrass, however the word actually means to impregnate. So the ad read: "It won't leak in your pocket and make you pregnant."
9. The Coca-Cola name in China was first read as "Ke-kou-ke-la", meaning "bite the wax tadpole" or "female horse stuffed with wax", depending on the dialect. Coke then researched 40,000 characters to find a phonetic equivalent "ko-kou-ko-le", translating into "happiness in the mouth."
8. Frank Perdue's chicken slogan, "it takes a strong man to make a tender chicken" was translated into Spanish as "it takes an aroused man to make a chicken affectionate."
7. Pepsi's "Come alive with the Pepsi Generation" translated into "Pepsi brings your ancestors back from the grave", in Chinese.
6. An American t-shirt maker in Miami printed shirts for the Spanish market which promoted the Pope's visit. Instead of "I saw the Pope" (el Papa), the shirts read "I saw the potato" (la papa).
5. Colgate introduced a new toothpaste in France called "Cue", the name of a notorious porno magazine.
4. When Gerber started selling baby food in Africa, they used the same packaging as in the U.S., with the beautiful Caucasian baby on the label. Later they learned that in Africa, companies routinely put pictures on the label of what's inside, since most people can't read.
3. Clairol introduced the "Mist Stick", a curling iron, into Germany only to find out that "mist" is slang for manure. Not too many people had use for the "shit stick."
2. Scandinavian vacuum manufacturer Electrolux used the following in an American campaign: "Nothing sucks like an Electrolux."
1. Coors put its slogan, "Turn it loose," into Spanish where it was read as "Suffer from diarrhea."



I'm a freeloader. I admit it.

At least as far as contributing money

to Richard's household goes. I don't earn a dime. I don't pay any money for my room and board. I do, however, give great companionship and protection. That's worth something, right? I protect Richard and Carita from all kinds of predators. Can I help it if they tend to show up in the early morning hours? And I protect them from offensive music. As a puppy, I once ate an entire Celine Dion CD just so Carita wouldn't have to listen to it. What better friend could you ask for? That's fair isn't it?

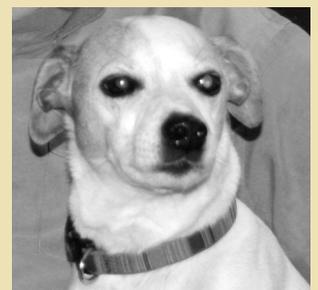
If all you listened to was the liberal talking heads, hacks, politicians and so-on in the main stream media, you probably couldn't help but reach the conclusion that the rich don't do their fair share when it comes to paying taxes.

But, I happened to oversee some research Richard was going through one night. My understanding is the information came from the "IRS Winter of 2013 Statistics of Income" bulletin. So, it comes straight from the

horse's mouth, so to speak, and is as current as it gets. Truth is, in 2010, the latest year available, the richest 1 percent of Americans – who earn less than 19 percent of the national income – pay over 37 percent of all personal income taxes. The top 5 percent earned 34 percent of the income, but paid nearly 60 percent of the taxes. And the top 10 percent earned 45 percent of the income, but paid more than 70 percent of all income tax. The bottom 50 percent of income earners earned 12 percent of the national personal income, but paid less than 3 percent of the income tax. A whopping 41 percent of tax returns filed showed no income and paid no Federal income tax at all.

You call that fair?

Your canine friend...



# ZEVAC & LINDSEY

CERTIFIED PUBLIC ACCOUNTANTS

"You see the numbers, we look for the opportunities."

1050 Hillcrest Road, Suite A

Mobile, AL 36695

(251) 633-4070—phone

(251) 633-4071—fax

For more information, visit us at:  
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**We'd like to wish you a safe, happy Memorial Day!**

**This month's Special Member-Only call-in times for Lindsey's Insider Circle will be 5/28/13 from 2:00 to 4:00 pm. To schedule your appointment, contact Kristen at (251) 633-4070.**

## Looking for a Speaker for Your Club or Organization?

Richard knows how difficult it can be to find a good speaker – one that will educate and entertain. If your club or organization is looking for a seasoned speaker get in touch with Richard at [richardlindsey@comcast.net](mailto:richardlindsey@comcast.net) for details.

## Avoid the Wal-Mart Trap—*continued from page 1*

As a small business owner, and marketer, your job is to sell your products and services. But, the actual art of selling has nothing to do with the price of the product.

By the time your contacts find out about the price, they should be determined to purchase no matter what the cost.

So, find "real" benefits (value) to sell to your customers and prospects. Help them to see how great their life is with your product, and you've got a customer. Point out their current pain, and your contact will do anything to get rid of it.

Set your prices and hold fast. If you've marketed correctly, you will still have customers anxious to do business with you!

**THANK YOU! THANK YOU!**

Thanks to YOU, the word is spreading. Thanks to my clients and friends who graciously referred me to their friends, neighbors, customers and relatives last month! I enjoy building my practice based on the positive comments and referrals from people just like you.

I couldn't do it without you!

Mike McNair  
Rodgers Chapman

**THANK YOU!**