Top Trends That Will Affect Your Business During the Next 2 Years

Gene Marks

This session is eligible for 1.5 Continuing Education Hours.

To earn these hours you must:
- Have your badge scanned in and out at the door
- Attend 90% of this presentation
- Fill out the online evaluation for this session
True/False: New York is the world’s largest city.

FALSE

1. Tokyo - 38m
2. Delhi - 25m
3. Shanghai - 23m
4. Mexico City - 21m
5. Mumbai - 21m
6. Sao Paulo - 21m
7. Osaka - 20m
8. Beijing - 20m
9. New York - 19m
True/False: E.T. is one of the five highest grossing films of all time.

FALSE

<table>
<thead>
<tr>
<th>Rank</th>
<th>Title</th>
<th>USA Box Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Avatar (2009)</td>
<td>$760,505,847</td>
</tr>
<tr>
<td>2.</td>
<td>Titanic (1997)</td>
<td>$658,672,302</td>
</tr>
<tr>
<td>3.</td>
<td>The Avengers (2012)</td>
<td>$623,279,547</td>
</tr>
<tr>
<td>4.</td>
<td>The Dark Knight (2008)</td>
<td>$533,316,061</td>
</tr>
</tbody>
</table>
True/False: This man is suing ESPN for $10 Million because they made fun of him for sleeping.

TRUE

True/False: On January 1, 2015 it became illegal in the state of New York to pose for a selfie with a tiger.

False (it’s Feb 1st)
The 114th Congress

True/False: The biggest issue facing small and middle market businesses in 2015-16 is growth.

FALSE
True/False: The U.S. government will begin offering health insurance on January 1, 2016.

FALSE
True/False: If your company has more than 50 Full Time Employees you must provide health insurance for everyone after Jan 1, 2015.

**FALSE**

5 Essential Terms

1. Individual Mandate
2. Employer Mandate
3. Essential Health Benefits
4. Small Business Healthcare Tax Credits
5. Healthcare Exchanges
The Math

- Assume “common control”
- 40 employees who work more than 30 hours per week
- 200 hours of part-time work is performed per week by 12 other workers. 200 x 52 = 10,400 hours that year
- Divide by 2080 (40 hour week for 52 weeks per year)
- You have 5 additional Full Time Equivalent Employees
- You have a total of 45 FTEs

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Essential Health Benefits

- Cannot deny coverage (pre-existing conditions)
- Ambulatory patient services
- Emergency services
- Contraception
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care
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Your Options?
Your Options

1. Drop All Coverage
2. Work the loopholes:
   - Medicaid
   - ‘Skinny’ plans
3. Go Bronze/Self Insure/HSAs
4. Drop But Compensate
5. Private Exchanges/Defined Contribution Plans

Issues to Watch

Community Ratings →
Before:
   Employee history
   Industry

Now:
   Employee Age
   Region

Risk Corridors – a 50% - 80% Federal reimbursement for cost overages

The Latest Supreme Court Challenge
What Have We Learned?

Business owners need to make some BIG CHOICES about healthcare this year.

True/False: A member of the U.S. House of Representatives serves a 6 year term.

FALSE
True/False: A majority (>50%) is required to pass a bill in the House of Representatives.

TRUE

True/False: A 51% margin is required to pass a bill in the Senate.

TRUE
True/False: A 2/3 majority vote is needed to override a Presidential veto in both the U.S. House of Representatives and Senate.

TRUE

The House

The Latest Projections – House
435 Members

| January 2015 |  
| --- | --- |
| Dems | Repubs |
| 188 | 247 |
| 43% | 57% |

2/3 = 292 seats!
The Senate

<table>
<thead>
<tr>
<th>January 2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dems + Ind</td>
<td>Repubs</td>
</tr>
<tr>
<td>42 + 2</td>
<td>56</td>
</tr>
<tr>
<td>44%</td>
<td>56%</td>
</tr>
</tbody>
</table>

\[ \frac{2}{3} = 67 \text{ seats!} \]

True/False: The Affordable Care Act will be repealed now that the Republicans control both the House and the Senate

FALSE
What Have We Learned?

Business owners need to make some BIG CHOICES about healthcare this year.

It is very unlikely that the ACA will be repealed.

2015 Congressional Actions

Tax Reform

- House Ways & Means: 20 meetings and 11 working groups
- Agreement: Reduce corp. tax to 25-28% (currently 35%)
- Agreement: Revenue neutral
- Agreement: Corporate inversions
- Agreement: Making certain incentives (accelerated depr, R&D credit) permanent
- Disagreement on lowering individual rates
- Disagreement on raising capital gains rate
2015 Congressional Actions

Look for: Potential national increase to $10.10 per hour.

2015 Congressional Actions

Look for: A partial immigration compromise – tougher border controls, STEM, legal path for citizenship for some.
2015 Congressional Actions

Look for: Lots of talk, little serious action to reduce the deficit this year.

2015 Congressional Actions

Look for: SEC ruling on crowdfunding with less restrictions. This means another source of capital for your business.
True/False: The Federal minimum wage is currently $10.10 per hour.

False...it’s $7.25

True/False: The Federal National Debt is $500 billion.

False – it’s $18 trillion
True/False: To be in the top 1% of the world’s earners your income needs to be greater than $104,000 per year.

**False – it’s $34,000**

True/False: Upon meeting North Korea’s Kim Jung-un, former NBA star Dennis Rodman called the country's supreme leader "A ruthless dictator responsible for the deaths of thousands of his citizens."

**False**
True/False: The Cookie Monster’s first name is Frank.

FALSE - It’s Sid

True/False: The Pirates’ Doc Ellis pitched a no-hitter while high on LSD.

TRUE
What Have We Learned?

Business owners need to make some BIG CHOICES about healthcare this year.

It is very unlikely that the ACA will be repealed.

Tax reform, immigration reform, minimum wage, deficit reduction and crowdfunding will dominate Washington’s agenda and impact your business.

True/False: Gene Marks is a Certified Public Accountant.

TRUE (but not a very good one)
Taxes Increased in 2013

- Individual Medicare taxes rise from 1.45% to 2.35% for ‘high income’ people
- Additional 2.9% Tax on unearned income begins for ‘high income’ people
- Capital gains tax increases from 15% to 20%
- Dividends tax increases from 15% to 20%
- Itemized deduction ceiling rises from 7.5% to 10%
- Flexible spending accounts limited to $2,500 withdrawals

Taxes Are Increasing in 2015

55 tax breaks expired on 12/31/14
Sec 179 accelerated depreciation : Reduced!
R&D tax credit: Gone!
$4,000 tuition/education: Gone!
Alternative energy credit: Gone!
2015 Tax Moves
2015 Tax Moves

IRA/401K/Sep Plans - Maximize
529 Plans for education
Healthcare tax credit
Tax friendly investments
Write off AR and Inventory
Sec. 179 and R&D credit – watch!

True/False: Gene Marks’ latest book went to #1 on Amazon.
True/False: Gene Marks’ monthly newsletter is read by over one million people.

FALSE

www.genemarks.com
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Taxes are increasing in 2015. Better prepare.

True/False: The “cloud” is just another way of describing the Internet

TRUE
Amazon Web Services
Google Web Services
Microsoft Azure
Rackspace and Others...

Cloud Wars!
GoldMine & ACT
Salesforce, Sage, SugarCRM, Microsoft Dynamics CRM
ZohoCRM, NimbleCRM, Insightly

Everyone is investing in CRM

ZenPayroll – online, “beautiful” payroll, $26m funding

Zenefits - 2,000+ companies, 50,000+ employees, $84m funding - benefits, payroll, onboarding, time off, and more.

Work4 - drives quality candidates from Facebook, LinkedIn and Twitter (58% of employees are more likely to apply to a company via social media)

ZipRecruiter – mashes up hundreds of recruiting sites and manages candidates

Hot: Cloud HR Apps!
AnyPerk
Pre-negotiated perks for $10/employee/month

Basecamp/Asana
Inexpensive cloud based project manager

UpCounsel
The Elance for attorneys

Elance/Odesk
Finding independent contractors

HR Webforms
HR paperwork - from appraisals and reviews to terminations and more.

Hot! People Productivity Services!

Docs: Echosign or DocuSign
Social: Google Hangouts on Air
Search: DudaMobile/Google My Business/Yahoo/Bing Business
Wearables: IFTTT
Communications: Slack

5 Business Tech Services You Need To Evaluate In 2015
True/False: Cloud prices have dropped 30-40% in the past year.

TRUE

True/False: CRM Software is the #1 best selling cloud application the past few years.

TRUE!
True/False: HR applications are the #2 best selling cloud application over the past few years.

**TRUE!**

True/False: The Manufacturer’s Book of Lists by Gene Marks was the #3 best-selling business book over the past few years.

**False**
True/False: Google Hangouts on Air is a like a free TV station for your business.

True

True/False: Basecamp is located in Northern Iraq.

True
What Have We Learned?

Business owners have some VERY big decisions to make about healthcare.
It is VERY unlikely the Affordable Care Act will be repealed.
Tax reform, immigration reform, minimum wage, deficit reduction and crowdfunding will dominate Washington’s agenda and impact your company.
Taxes are increasing. Better prepare.

What Have We Learned?

Cloud prices have significantly dropped.
You need a CRM system.
Cloud based HR and project management apps are significantly growing in popularity.
Consider these business apps: Echosign/Docusign, Google Hangouts, DudaMobile/Google My Business, IFTTT and Slack.
True/False: The Baltic Dry Index measures weather conditions in the Baltic region.

FALSE

Metrics

Expedia

Baltic Dry Index

ISM Purchasing Manager’s Index

Univ of Michigan Consumer Confidence
Metrics

Expedia

Dow Jones Economic Sentiment

Baltic Dry Index

JOLTS (Job Openings and Labor Turnover)

ISM Purchasing Manager’s Index

Univ of Michigan Consumer Confidence
Economists

Mark Perry – aei-ideas.org/

Washington Post - On Small Business

Bill McBride – calculatedriskblog.com

Seeking Alpha – seekingalpha.com

Barry Ritholtz – The Big Picture Blog - ritholtz.com/blog/

Michael Shedlock ("Mish") - globaleconomicanalysis.blogspot.com/

Shorpy – shorpy.com
True/False: The Baltic Dry Index is a spice only found in Russia.

False

True/False: Seeking Alpha is a place to find blogs from many economists.

True
True/False: The Cookie Monster’s first name is Frank.

SID!!

True/False: A recent study found that 80% of fast food fountain drink dispensers are contaminated with fecal matter.

FALSE. It’s only 50%*

*Journal of Food Microbiology – 2012 study
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What Have We Learned?

Have a few favorite metrics.

Have a few favorite economists.

Questions

Up Next: Interactive Break in the Mezzanine
- Taking Your Company's Safety Training to the Next Level: Augmented Reality
- Personal Branding for Professional Success: Leverage Every Employee's Digital Footprint
- The Lost Art of Listening
- NECA Manual of Labor Units
- The Value of Membership