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## Beat the odds

### ny Accounting



Michael Ceschini

Your accountant's experience, knowledge and wisdom could be a major factor in your company's long term success.

"According to Dun & Bradstreet, 90% of all contractors are out of business within 10 years."

The case of Jay Prentice Builders illustrates how a contractor can profit from accounting advice.

When Prentice started his business in the early 1980s, he knew that even successful builders can

quickly disappear. Prentice's investigation into contractor failure revealed that most had little interest in business management.

Prentice attributes his success through several market downturns to his accountant, Tom Rutledge. From the beginning, Prentice integrated Rutledge's advice into the business's decision-making process. At first, Prentice only sought Rutledge's informal advice. However, sustained profit and growth necessitated a more formal arrangement of an advisory board.

The company's board is comprised of experts in accounting, banking, marketing, law and subcontracting.

Prentice viewed his business as

the management of interlocking systems marketing, estimating, and financial and project management each with an accounting component.

The greatest benefit Prentice received was risk reduction through managerial accounting. Over the years Prentice asked for solutions to major problems, including automation, change order control, contract negotiation and pre-qualification.

The cooperative working relationship between the business and accountant meant many issues were solved before they got out of hand.

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