

ASL Summer 2011 ADVISOR

Abbott, Stringham & Lynch

Certified Public Accountants & Business Advisors

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Zircon Tackles New Market

One of the first things you probably did when you moved into your new place was hang pictures, paintings, and mirrors as you turned your house into your home. You took a trip to your local hardware store, and if you needed your decorative touches hung to something more secure than drywall, you came home with an electronic stud sensor along with those nails and brackets. That electronic stud sensor was probably made by Zircon Corporation.

Zircon set their sights on the do-it-yourself (DIY) market in 1981 with the first electronic stud sensor, and today, at 90 percent

plus market share, you can say they've won it. Armed with experience and an array of electronic tools and wall scanners

sensing everything from studs to rebar to electrical wiring, Zircon has set their sights on a new market, the professional contractor.

"Our biggest challenge is creating products that truly meet the demands of our end users. We're continually fine tuning the design process to focus beyond just electronics, to include all the mechanical aspects of day to day use," said Zircon President and CEO John Stauss. With a robust R&D program and a

very active licensing program focused on continual technology development, they are tackling the unique challenges presented by worksites head-on.

"When you hold a Zircon product in your hand, you can rest assured you have the highest level of quality and service. Our efficient and effective vertically integrated approach allows us to directly oversee, manage, and control all aspects of quality from concept

design, engineering, manufacturing, through distribution. Zircon owns every step in the process," said Stauss.

According to Zircon's Vice President of Finance Ron Bourque, with

»»»» See ZIRCON, page 2



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Mark Your Calendar!

ASL provides these events to help equip you to make decisions today that will make your business even better tomorrow. We hope to see you at one of the following events!

Request Invite: info@aslcpa.com

6/29/11 *Emerging Business Best Practice Series: Hiring Foreign National Talent*

7/6/11 *Emerging Business Best Practice Series: Negotiating Commercial Leases*

7/13/11 *Emerging Business Best Practice Series: Entity Selection*

8/3/11 *Emerging Business Best Practice Series: Branding and Logos*

8/24/11 *Emerging Business Best Practice Series: Accounting Systems*

9/7/11 *Emerging Business Best Practice Series: Fringe Benefits*

9/21/11 *Fall Tech Seminar*

Zircon

Continued from page 1

the help of ASL Principals Carol Wagner and Rob Trammel, Zircon has also tremendously improved the efficiency of their accounting process by setting up month to month processes to mirror year end needs. "When an audit goes well, the company performs better because there's confidence in knowing the strategic decisions you're making are based on accurate and timely information," said Bourque.

Even as Zircon works to establish dominance in the contractor market, they are reinforcing the loyalty they've earned in the DIY market with a variety of marketing initiatives designed to enhance the accessibility of end user support. Their recent re-launch of their [Facebook](http://www.facebook.com/ZirconCorporation) (<http://www.facebook.com/ZirconCorporation>) fan

CONSTRUCTION CORNER

There has been a lot of press about the 100% bonus depreciation for assets placed in service during 2011. However, it's important to remember that the end of 2011 doesn't mean the end of this bonus depreciation.

When you ring in 2012, the limitation will be reduced to 50%, which still leaves your glass half full. Make sure you are performing at your potential in the improving economy by starting your tax planning now!

Perform better against your competition with thoughtful tax planning and analysis of your financials based on the experience and knowledge of the ASL Construction Group. Contact us for more information. ▲



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page focuses on meeting the everyday needs and concerns of users by featuring tips and tricks for projects and links to a series of "Tip Minute" video clips that can also be found on their YouTube channel, [ZirconTV](http://youtube.com/ZirconTV) ([\[youtube.com/ZirconTV\]\(http://youtube.com/ZirconTV\)\).](http://</p></div><div data-bbox=)

With focused innovation, Zircon continues to lead the way in electronic sensing technology, and is actively engaged in developing the next generation of breakthroughs. ▲



Have an iPhone or Droid?

Use or Download a QR Reader app, and use it to scan the QR Code at left to visit Zircon Corporation's Facebook page for helpful do-it-yourself tips and tricks! ▲

Revenue Recognition – Changes Ahead

By Carol Wagner, Principal in Charge, Audit and Accounting

Broad changes in revenue recognition have been proposed by the US standard setting body with final guidance expected late this year. With all these changes on the horizon, the majority of companies will have to review and possibly change their revenue recognition criteria, policies and processes.

Currently, US generally accepted accounting principles (GAAP) and international financial reporting standards (IFRS) have basic differences when it comes to revenue recognition.

»»»» **“As more privately held companies are participating in the global economy, international pressure has been mounting to have one set of accounting standards for global companies in order to better serve the needs of financial statement users.”** »»»»

US GAAP includes broad revenue recognition concepts, but also very specific concepts for certain industries, such as software and construction. As more privately held companies are participating in the global economy, international pressure has been mounting to have one set of accounting standards for global companies in order to better serve the needs of financial statement users.

Beyond issues of convergence, as products and services become more complex, new accounting standards are required. For example, many companies now sell products that bundle hardware and software components with service or maintenance contracts. To address the revenue recognition for multi-faceted products, a new US revenue recognition standard is being implemented that addresses these multiple deliverables.

Most companies establish procedures and processes for revenue recognition in the early stages of existence, and all look to the revenue number on the income state-

ment to evaluate the success of their efforts. However, accounting “rules” for revenue recognition can alter the revenue number significantly when a company is required to prepare financial statements that are in compliance with US GAAP.

Now to further complicate how you arrive at the revenue number that will appear on your income statement, the accounting rules (GAAP) for revenue recognition will change. Stay tuned and watch for further articles on the upcoming changes.

Have specific questions about these changes? Contact us. ▲



»»»»» Tech Byte <<<<<<

Navigating the dangerous waters of obtaining funding for a start-up technology company is complicated, often fraught with frustration at communicating effectively to funding constituents. Be careful pitching your new idea to investors.

Top 10 Ways Entrepreneurs Miss the Mark

1. “Our projections are conservative” – why be conservative?
2. “Our market will be \$50B in the next three years” – market size vs. opportunity are different variables.
3. “Our contract with Apple will be signed next week” – every contract takes longer than expected to execute.
4. “Our key employees will sign-on as soon as we’re funded” – they might, and they might not!
5. “Our idea is one-of-a-kind and nobody else can do it” – first mover market education is expensive.
6. “You better hurry, we have other firms knocking on our door to get in” – investors all know each other and “talk,” so forget the lie.
7. “Facebook is too slow to threaten us.” – entering into a competitive battle with a large company is typically a lost cause.
8. “The financial meltdown is spurring our success.” – what did you learn from past mistakes?
9. “Our patents make us fully defensible” – absent IP, how can you sustain your position over time?
10. “Your dollar will help us obtain 1% of the market.” – why not 50% of the market?

Mark Your Calendar

Tech Seminar: September 21, 2011. Watch for details! ▲

Your Summer 2011 edition of
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ABBOTT, STRINGHAM & LYNCH

Promotions

Naila Sharifova, CPA

Naila Sharifova, CPA, was recently promoted to the position of Tax Manager. Naila has been in public accounting for more than six years now. She serves the needs of high net worth individuals and closely held businesses by helping them to make better decisions through tax compliance and tax planning services.

Naila is continually pushing herself to become better today than she was yesterday. She is a member of the California Society of CPAs, and is pursuing her Master of Science in Taxation at SJSU. She is expecting to complete her Masters this summer.

When Naila isn't working, she loves spending time with her family, which includes her husband, Vlad, and daughter, Sophie, doing activities such as hiking, traveling, and photography. ▲



Rick Kane

Rick Kane was recently promoted to the position of Tax Senior. With an eye for detail, Rick enjoys the complexity of discovering strategic solutions for a variety of clients. He has tackled projects servicing high net-worth individuals and large real estate clients, with a specialty in taxation and strategic planning for wealthy individuals.

In order to stay connected to the accounting community, Rick is a member of the California Society of Certified Public Accountants. During his free time, Rick can be found playing guitar, traveling, or enjoying a relaxing round of golf. ▲

