
VISION FOR GROWTH

Guide to Leveraging Government Business Incentives

Successful Expansion of your business is a journey that starts with your approach to growth. Cash flow, hiring skilled team members, location requirements, new equipment needs, continuous role



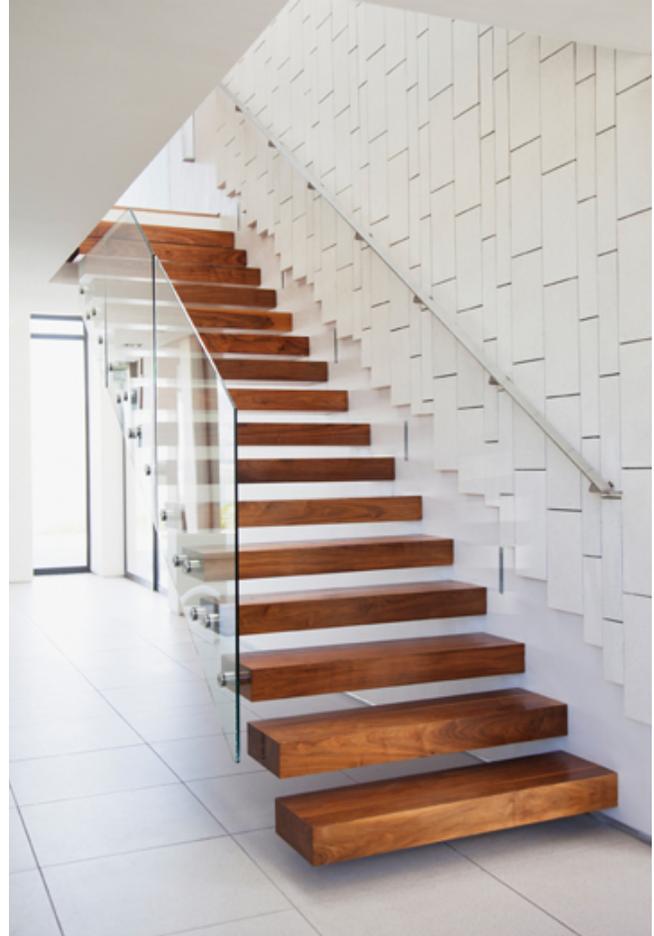
adaptation, and planning are a few of the many decisions that will need to be faced in a rather short period of time of business expansion. Adding to the business owners list of maintaining productivity, revenue, and client satisfaction.

Once your mindset changes everything else will change with it.
-Steve Maraboli

Whether you are an entrepreneur hiring your first few employees, a business starting to scale, or a company adding new divisions the choice to expand starts with a positive vision, enthusiastic energy, and a willingness to explore and take on programs that are designed to spur economic growth.

The State economic development offerings, like tax credits, are the primary opportunity for businesses of any size to plan and execute the next ten to twenty years of your company's strategic growth. State programs leverage support for the three most challenging areas of a growth stage project, Cash flow, Real Estate, and Job Creation. Unfortunately, statistics reveal that Mega Companies are the primary recipient of the awards and advantages of State assistance leaving small to mid-size companies fending for themselves.

This guide offers a clear and simple approach for all size companies to leverage State Economic Incentives to propel their planned period of expansion. Business leaders will start with an intuitive 3 step approach towards creating a growth mindset with power of government support. Followed by an overview on State incentives across the nation, how to benefit from leveraged state tax credits even if you have no current liability, professional tips for application completion, setting long term expectations for compliance.



There is no elevator to growth, you have to take the stairs.

3 Steps to cultivating a growth mindset that can harness the power of the government.

“Give me six hours to cut down a tree and I will spend the first four sharpening the Axe”

-ABRAHAM LINCOLN

1. Prepare for the journey - Seek inspiration before action.

Expansion of your business is like the adventure of climbing a mountain. It will last a certain amount of time, you will face new and unknown obstacles, you may have to rely on outside resources, you will need to maintain strength and adapt your traditional roles, and most importantly it will feel great reaching the top but the moment will be distinguished with an eagerness for more. Know that a

growth mindset is not feeling that you should grow or saying I will take action to grow. A true growth mindset is preparing for the journey before it ensues in vision, spirit, and knowing that all of its nuances and unforeseen will hold excitement, learning, and joy. Harnessing the resources and programs of the government has acquired the collective belief of difficulty and near impossibility. Break away from this belief it will not serve your journey. Can you imagine starting to



climb a mountain thinking it is impossible, the road will be much different. Preparation and knowledge are the logical steps first steps followed with the building of anticipated excitement.

2. Experience your vision for growth. Experience inspiration before action.

Growth of your company is multifaceted and will be ever changing especially adding government programming into your plans. Use your vision the way you would imagine that the Wright Brothers saw the experience of human flight in their minds and subsequently created a miracle. Paint the picture in your mind and in writing of what your company will look like in 12 months, 2 years, 5 years and maybe even 20 years from now. What does the culture feel

like, What does your office environment look like, what colors do you see, what is the energy of your team members, how many team members do you have, how does it feel to pay your employees and give bonuses, how satisfied are your clients, what products are you creating and selling? When you can see your vision so much so that you can enjoy the experience before it happens you will find that obstacles will dissolve you will begin spreading your wings to fly. This perspective shift towards energy alignment is the differentiator from the companies who will grow with effort and those that will grow with the power of creative support like government incentives. Visioning is the shift in perspectives towards all things feeling right and positive, this requires going against the collective belief.

3. ALLOW - Be inspired to allow action

Governments recognize that labor investment is the number one driver of economic expansion both nationally and globally and yet attracting talent ranks equal to cash flow in the society labeled challenges of evolving businesses. Evolving companies will continue to meet points of critical mass in which rising demand signals the need to level up. Cash and time is required to purchase new equipment, hire and train new people, consider new locations and so on. This is also the the crucial inflection point that inspiration of preparation and vision does not become clouded over by the thought you need action and effort. There is ONE key commitment every business leader needs to make in order to drive growth. Allowance is the key to everything. Allow advice and actions from outside sources. Allow for mistakes or should I say new colors to be added to your masterpiece vision. Allow unconventional thinking. Allow your focus to gravitate towards the positive in all situations. Allow the joy of the journey.

“The airplane stays up because it doesn’t have time to fall”

-ORVILLE WRIGHT

Overview of National State incentives

The development of economic programs for attracting and retaining jobs is the number one method used by state governments to promote their economies. Although these incentives program vary by state they all maintain similarities in that they are designed to target economic prosperity through promoting high growth companies, of any size, to invest in assets both physical and in human labor.

- In general, Job Creation and Investment Tax Credits are aligned by states to target certain industries and geographic regions that the state has choose to promote based on motivations like; utilization of talent pool and supply chain. Typical industries that are supported, but are not limited to, are manufacturing, agriculture, technology, life sciences, professional services, and film. In addition, most people don't realize that a headquarters expansion, in most industries are also prime candidates to apply for Incentive awards. These award amounts can be enhanced if a particular company is willing to explore certain geographic initiatives where the state has implemented Enterprise Zones or Tax Increment Finance districts.
- The financial portion come in a percentage return/credit of employment taxes or a specific dollar amount per job created or retained. Tax incentives amounts for hiring vary by state, but carry the same basic goal of a periodic reduction of the cost of employment labor via credit for taxes in efforts to be an impetus of cash flow and stimulate the company's growth plans and capital needs. These award amounts are based on completing an application that conveys simple concepts including committing to a number of new hires projected in the upcoming 12-60 months, projecting minimum company wide average for salary, some form of capital investment into growth, like real estate, equipment, or training etc. and providing a statement of need.
- Upon approval of an award the company commonly moves into a performance period, typically 24-36 months, in which the company makes investments and hires news positions. Upon meeting the committed job creation and investment goals, or at the end of the performance period, the company will receive offset of their State tax liability in the form of a refundable, non-refundable, sale-able, or transferable tax credit. The annual credits are distributed upon reporting job creation totals or payroll records in a special audit over periods lasting from 5 - 20+ years , depending on the state.



5 Benefits of leveraging state award offers beyond the simple tax credit

- How to benefit from leveraged state tax credits even if you have no current liability.

There are several important reasons to leverage state tax credits, putting in effort to go through the application process, and getting them on your books that no one is talking about. In fact the mass majority of Certified Public Accountants and major accounting firms that service small to mid-market companies don't even know about it or if they do that don't practice it. In fact it goes back to the numbers that support the fact that the mega companies have figured these benefits out and are utilizing them to their advantage.

With less than 97% of US companies receiving their share of the estimated annual \$45 billion dollar expenditure, it is no wonder that our trusted advisors and the nations business owners don't understand the full power and potential of receiving State Tax Credits. The truth is that beyond the ability to receive an offset of State Corporate Incentives or a per job cash grant the true growth mindset business leaders gains a multitude of secondary benefits and freedoms directly and indirectly.

Direct Benefits are short and long term

1. Enhanced Profit and Loss and Balance sheets for improved lending options or seed funding
2. Long term Capital expenditure planning for key business investment decisions
3. Implementation of executive compensation plans with out worry of tax ramification.
4. The ability to take retained earnings out of the business.
5. The increased value of the company for succession or M&A scenarios.

Indirect benefits gain power from the state wanting you to succeed and therefore will offer support and guidance in areas such as:

1. Assistance and support from the state in location decisions
2. Access to potential government lending options with lower lending requirements
3. Support for hiring
4. Access to training grants

Professional tips for application completion

Coming full circle we began this guide with having a vision and preparing a growth mindset, moved into a bit of education and myth dispelling and now it it time to take action with application comple-

tion. The following tips come from legal professionals that have made it their business to assist the everyday company in speaking the language of the government. Following the inside principles will ensure your application process will go smoothly

Know your vision inside and out. Knowing and stating your current business conditions, your projections for growth, the reason precipitating the expansion and the need for incentives to assist you is differentiator to creating a compelling application that will put you in the drivers seat of journey that will propel your company too many new levels.

Gather your business documents. This is crucial to saving time, as the average application takes between 12-50 hours. Common application requests are business identification codes like FEIN, NAICS, Unemployment numbers for all related companies with 20% or more ownership. Along with current employee wage benefit data you will need to be ready to share the numbers for investments in areas such as lease agreements, property ownership values, equipment values, and more.

This sounds like a lot but the good news is that most of this has been gathered in the ENJEN survey you completed. You are uniquely positioned to translate the items from the survey, with supporting documents such as p&L statements and tax clearance forms, into your particular state application medium typically located on the State's Economic Development page.

As a secondary option ENJEN offers advocacy service that includes application completion by seasoned legal professionals at a standard monthly fee of \$3500 with a two month minimum.

Setting long term expectations for compliance

The Big Reality is that expansion requires energy and the acceptance of change, which has the propensity to cause moments of constriction and doubt. Expansion = WORK. The good news is that reality does not mean much at all. Reality is a temporary condition that only holds value with focus on it. Whether or not you have acknowledged it you and the business are above the norm, the fact that you have chosen this path distinguishes you as a growth mindset business that has the tools to continuously change reality.

You have chosen to focus on the forward evolving vision of growth and therefore have committed to expansion. The return for leveraging government programs and systems is a foundation that will support the launching of rockets of desire and will release the limits of what appears to be right now..

The key is forward focus and allowing change as being the true essence of compliance. Adhering to the cornerstone of enjoying product creation and people development, first in thought, will remove the fears of non-compliance. Programs that bridge private - public interconnections will always hold accountability to the goal of economic expansion and prosperity for the people of our nation. The governments do this through the gathering of a myriad of opinions and systems at their best are intended to be responsible and thus translated into rules and regulations.

Compliance does have many facets that can be overcome in several ways. ENJEN compliance clients receive a translated breakdown of the incentive program agreements. The breakdown turns your agreement into a key points awareness and timetables