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The CFO Advisor

Guidance for Small Business Success™

**HAPPY
NEW YEAR**

Another year has quickly passed us by, and as we get ready to close out 2019, it's important to set ourselves up to get 2020 started on the right foot.

This issue of "The CFO Advisor" focuses on peace, health, and prosperity as we get ready to ring in the new year. You'll read about how to keep a safe and peaceful work environment, as well as ways to keep motivated and inspired in tough times. You'll even learn tips on how to make it through the holiday shopping season!

From all of us at D.L. Hulse Consulting, we don't only wish you happy reading, but we also wish you **HAPPY NEW YEAR!**

Until next month...

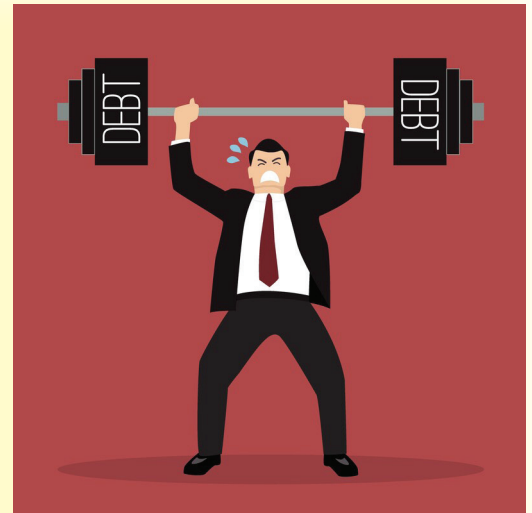
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A Resolution For Fiscal Fitness In 2020

Most New Year's resolutions revolve around getting fit. Although that frequently means losing weight, one area you want to fatten up is your money supply. Here are some simple resolutions for adding some healthy heft to your overall financial profile:

- **Pay down your mortgage.** You can save more than \$63,000 on a 30-year, \$200,000 mortgage by paying just \$100 more a month.
- **Save 10 percent.** Put aside 10 percent of your income for long-term investments and retirement savings before paying any bills.
- **Track your expenses.** Record every dollar you spend, for at least one week. You'll get a clearer idea of where the money goes and what you can cut back on.
- **Energize your house.** Look for ways to make your house more energy



"How do the year-end numbers look?"

efficient. You'll save on heating and cooling costs and also help the environment.

- **Stay home.** Resist the temptation to eat out. Cook more meals at home. Instead of going to the movies, rent a video, read a book, or play a game with your whole family.
- **Don't rely on credit cards.** Credit card debt can eat up your savings and your future. Start reducing your debt, and don't buy anything on credit if you don't have the money to pay the bill off promptly.

EXAMINE YOUR 'INNOVATION QUOTIENT' TO KEEP IDEAS FLOWING

A growing organization thrives on creativity and innovation.



Are you too comfortable with the status quo? Too reliant on what's worked in the past? Don't take any chances. Ask yourself these questions to test your organization's level of innovation:

- **How do you define innovation?** You don't want to be too open-ended, but at the same time, you should avoid unnecessarily limiting the scope of ideas. Just be sure that innovation at your organization has a clear, positive impact on how you develop products and do business.
- **What are our goals?** Let employees know what you're looking for: You want to launch a brand-new product every year, for example.
- **How do you measure innovation?** If you can't measure the effect of innovation on your organization, no one will take it seriously. Maybe you want 10% of your revenues to come from products that are less than five years old. Or maybe you want to cut your energy bill by 20% in the next six months.
- **How do you encourage innovation?** Analyze your process for generating, testing, and implementing new ideas. What obstacles do employees face? How could you streamline things?
- **Do you have a pipeline?** Ideally, innovation should happen all the time. Your organization should have new ideas coming in and being tested on a continual basis. If that's not happening, dig deep to determine what you can do to spur more creativity.

Incisive Questions Lead To Solid Ethical

Ethical choices aren't always easy to make. When you're confronted with



a situation in which the correct decision isn't obvious, asking and answering a few key questions may ease the process.

1. **What are the facts?** Don't assume you know everything about the situation without examining it closely. Probe for truths that aren't immediately apparent.
2. **What are the competing claims?** Find out who stands to gain or lose from your decision. Consider the questions of whose needs and rights should have priority.
3. **Have you looked at the big picture?** Your decision may have consequences beyond the immediate situation. Tunnel vision can undermine the best decision for everyone.
4. **What are your own interests?** Be candid with yourself as you consider how your claims/rights may be affecting the way you analyze the situation and make a decision.

YOUNGER WORKERS FLEE AT THE FIRST SIGN OF TROUBLE

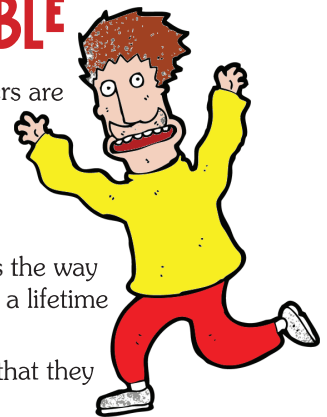
Human resource development experts at Novations/J. Howard & Associates believe that employers are finding it harder to relate to younger workers — especially when it comes to motivating them. Novations/J. Howard President and CEO Mike Hyter says, "The latest generation to enter the workforce is singularly disengaged and getting them motivated is now one of management's most urgent challenges."

Hyter says that traditional motivators like money or authority don't seem to appeal to younger workers the way they did to previous generations. And, he adds, many younger workers have no interest in establishing a lifetime career. And they're not much worried about being loyal to an organization either, according to Hyter.

He says that the younger generation seems to drop a job and leave at the first sign of discomfort, and that they seem to be seeking happiness — and don't have much interest in self-sacrifice.

Hyter believes that these characteristics could be the result of watching their boomer parents get used-up and thrown away by corporations — and this generation's not going to have any of it. They're thinking of their happiness first.

What managers have to figure out is how to get these young workers to get in line with corporate objectives.



Are You In Need of a Trusted Business Advisor?

If you are not my client and would like to explore whether we might be a good fit, please contact me. As an experienced business advisor, I have worked not only in private and public industries but also across many functional areas and can help you implement best practice solutions to improve profits.



Do You Have A Tough Accounting / Finance Question You Want Answered?

I love hearing from my small business clients and friends who enjoy reading my monthly newsletter. I'm always looking to answer pressing questions you might have relating to small business.

If you have a question, tip or idea, please call me at 352-450-2880 or email me at dwight@dlhulseconsulting.com. Perhaps I'll feature you in a future issue!

Setting up an IRA for your retirement can be a good investment, but it's

Follow These Rules For Your

IRA

not a simple process. Watch out for these common mistakes from the start:

- **Not getting professional advice.** Don't try to do it on your own. Accountants, financial planners, and lawyers have studied the complex financial and legal rules for retirement vehicles.
- **Naming the wrong beneficiaries, or not naming any at all.** Making your minor child a beneficiary will require a court-appointed guardian to manage the money until the child turns 18. If you fail to name a beneficiary, it is likely the IRA will become payable to your estate upon your death. This unnecessarily subjects the IRA to estate taxes.
- **Confining yourself to the form.** Most account agreements allow little space in which to name more than one beneficiary. Attach a sheet of paper with the information of all beneficiaries and exactly how you want the account to be distributed.
- **Thinking your financial institution keeps records of everything.** In this age of mergers and acquisitions, who knows where your records could be? Keep copies of your account agreement and beneficiary designations and let your family know how to find them.

Creative Thoughts Start In Bed

Creativity is a vital skill that can enhance your success. You can't always summon it out of the blue, so this advice from the *Study Finds* website should help:



A survey of 2,000 British residents commissioned by Microsoft Surface found many people's best ideas tend to occur as they're dozing off or when they first wake up in the morning, and sometimes in the middle of the night.

Pay attention to your thoughts in bed, write them down when ideas and solutions come to you, and keep rolling through problems before and after you sleep.

You might discover some surprising answers.



KEEP YOUR EMPLOYEES SAFE



Employers are responsible for the health and safety of their workforce. *The Augusta Free Press* website shares these important guidelines for keeping your employees free of injuries, whatever industry you work in:

- **Train and retrain your employees.** Make sure everyone is deeply familiar with the safety requirements of your organization. Don't go over the rules once and then forget about them. Hold refresher courses and fire or emergency drills at least once a year so employees remember how to respond to safety issues.
- **Inspect your workplace regularly.** Don't take your working environment for granted. Walk around frequently, keeping your eyes open for any potential hazards. Bring in experts to audit your premises so you can remove dangers before they cause accidents.
- **Train workers in first aid.** You have a first aid kit (don't you?), but do employees know how to use it? Offer complimentary training to employees so more than one or two people know how to quickly respond to and treat an injury.



Quotes:

"The beginning is always today." — *Mary Shelley*

"An investment in knowledge pays the best interest." — *Benjamin Franklin*

"A wise person should have money in their head, but not in their heart." — *Jonathan Swift*

"The hardest person you will ever have to lead is yourself." — *Bill George*

"If you don't take risks, you'll have a wasted soul." — *Drew Barrymore*





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See What's Inside...

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Examine Your 'Innovation Quotient' To Keep Ideas Flowing

Incisive Questions Lead To Solid Ethical Decisions

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Follow These Rules For Your IRA

Creative Thoughts Start In Bed

Keep Your Employees Safe

Don't Allow A Culture Of Excuse-Making To Thrive

Don't Be Rude About Money

Disclaimer: Any accounting, business, or tax advice contained in this communication, is not intended as a thorough, in-depth analysis of specific issues, nor a substitute for a formal opinion, nor is it sufficient to avoid tax-related penalties.

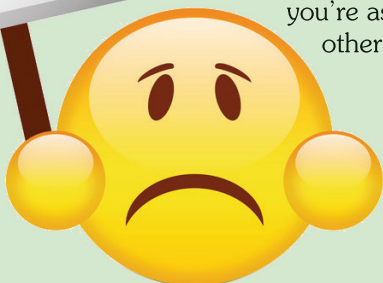
Don't Allow A Culture Of Excuse-Making To Thrive

People make a lot of excuses for why work isn't getting done and objectives aren't being met. And lots of times the excuse-makers are the leaders themselves. Business 2.0 columnist Jeffrey Pfeffer talked to Rudy Crew, head of Florida's Miami-Dade County school system, and asked him how he had achieved change in both New York and Florida Schools.

Crew's first rule: "Do not accept pre-emptive surrender — giving up before you start."

Crew's second rule: He explains the benefits of moving beyond "reasonable" excuses to find "unreasonable" solutions.

Crew's third rule: Crush excuse-ridden cultures by example. Roll your sleeves up and do what you're asking others to do.



DON'T BE RUDE ABOUT MONEY

Money is a delicate subject. Too many people forget that, though, and ask impertinent questions or make rude mistakes with their friends. The *Reader's Digest* website points to these habits that can alienate others and make you look like a jerk:



• **Making assumptions.**

Someone who sports an expensive wristwatch might not be rich; people who shop in secondhand stores aren't necessarily poor. Don't jump to conclusions about anyone's financial situation based on superficial appearances.

• **Automatically splitting the bill.** Four friends go to a restaurant. One orders multiple drinks and the most expensive meal on the menu, then suggests splitting the bill four equal ways.

• **Don't be that person.** Be sensitive to other people's preferences and financial situations, and be willing to pay your fair share.

• **Asking for "friend discounts."** If you hire a friend to do a professional service for you, don't ask for a break on the fee. This is how your friend makes a living. Be willing to pay full price or hire someone else to help you out.