COURSE INFORMATION

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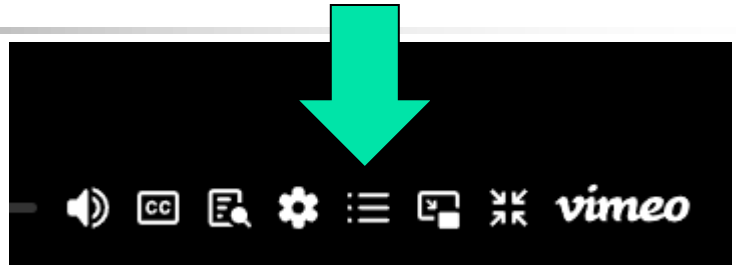
Course chapters on Vimeo

- Introduction & size of finance
- Creative thinking
- Role of finance and banking
- Financial reporting
- Cost-saving
- Lawyers & legal fees
- Bonus personal tip
- Taking a new job
- Auditors & accountants
- Technology & conversion tips
- Board of Directors
- M&A and partnerships
- The fast close
- KPIs & weekly dashboard
- De-icing business, what happened



Nearly an hour on ethics used to be in this course but CPA Quebec asked that it be removed, since their system doesn't easily track courses that are not 100% ethics

This popular ethics content is available as a one hour course,
Ethics – Some Different Angles

Note about electronic material

- You have the option of **printing the material** and taking notes during the video, or **taking electronic notes**
- If you print, we suggest you make sure you print the material large enough to take notes on it
- We **cannot provide conclusive instructions on how to take electronic notes** in the pdf file on each registrant's device, because of the wide ranges of combinations of pdf software that registrants may have, in addition to platforms, i.e. MAC or PC, tablet, etc.
- Upon request to course instructor spriddle@bell.net, you will be sent a fully completed and populated slide deck on completion of the video

PRACTICAL TIPS FOR CONTROLLERS AND CFOS

www.practicalpd.com

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VP, Finance & CFO & Secretary
SureWx Inc.

spriddle@bell.net

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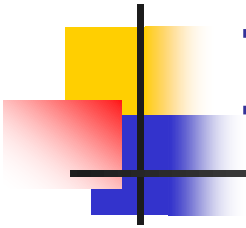
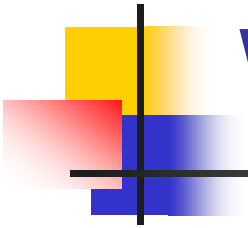
PRACTICAL PD

Introduction

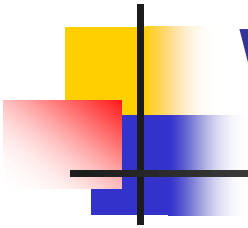
- Another boring session to get PD hours?
- The bad news and the good news
- Not advertised as a reference book
- Many blanks for key points to engage you, fill them in to keep involved
- **I will send you completed slides email me at spriddle@bell.net**



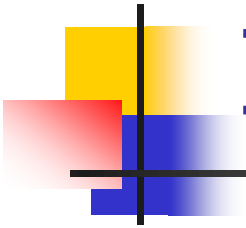
I wish we were live….



Watch this any way you want



Where am I?



Introduction - me

- I am a best-selling author

At major airports world-wide

My company **SureWx Inc.**
(MBO late 2015)
Enhanced airline winter operations, primarily related to anti-icing:

- Less cancellations
- Less delays
- Environmental benefits
- Greater safety
- Systems at 46 airports
- 70 airlines, 100,000 pilots use

Course comments

- Not a comprehensive course on being a Controller or CFO, or a technical course
- Big and small picture tips to help you
- From an entrepreneurial company perspective – all of us need this perspective

Key points

- Doesn't apply to your current job, but it may apply _____
- Some tips may not apply exactly, but will inspire you to create a parallel tip
- My ideas: you research how to apply
- Will try to _____ your thinking
- You will get _____ tips
- E-mail me if questions later

How we learn

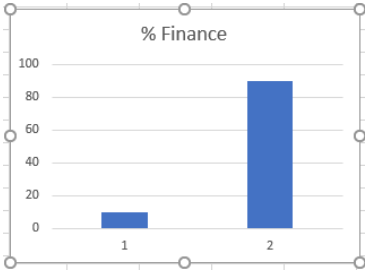
- Good judgement comes from ____
- Experience comes from ___ judgement
- "Humans are hard-wired to learn from stories" (C. Hall)
- Will share stories from my career, war stories, heroes & villains
- Some of my experience is a bit extreme, I like riskier "wild west" co's and I invest in some

Notes

- Create a ___ action list from the course
- There will be prizes
- Jokes? I might make fun of…
- I will sometimes ____ slightly to make a point and don't take everything I say seriously…
- Opinions expressed in this course, are strictly those of the presenter
- Expect the unexpected

Bench-marking – where does your finance group stand?

- First survey: finance heads/total heads
- Definition of finance heads
- Your prediction?
- Your org's %__ , session %__
- All courses avg ___% (large sample)
- City/province average ___%
- Use the data to your advantage..



New benchmark

- Average hours of sleep per CPA
- _____

Career summary

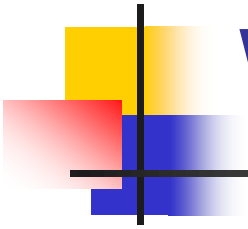
- Many interesting employers
- Some companies, I will tell you the name, some I won’t…

Let’s talk about creativity for accountants

- For improved work problem-solving

Note

- Recent McKinsey Global Survey:
- *"non-CFO executives described their CFOs as lacking _____"*



Who is a (legacy) CMA here?

Legacy CMA advertisement

Creative thinking tips

- You should develop outside the___ or lateral thinking skills, many eg's today
- Challenge your assumptions and come at problems from different angles
- Generate better alternatives, that others don't consider – maybe even counter-_____ (children example)
- Lawsuit example _____

Your 4 year old and 6 year old are fighting, what do you do?

Creative thinking tips

- The more ideas you generate, the greater the chance that you will hit a _____ one!
- Great solutions are often elegantly _____
- However, don't forget the _____! (Thinking too hard may mean you miss this)

Is your education hindering you?

- Did you learn to get outside the box through your formal education?
- Sometimes forget your _____ and _____!
- Three tax examples _____
- An engineer who solves engineering problems without ____

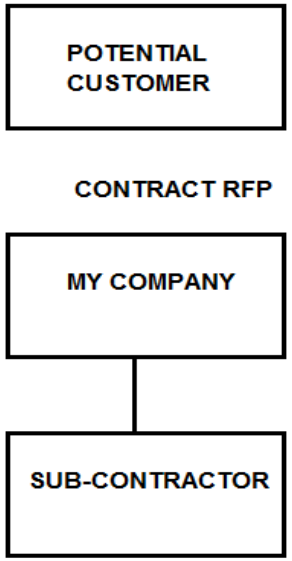
Winter problem – Kingston, Ontario

- How to cost effectively get cars/people from Wolfe Island to Kingston for work and other reasons, in winter when the ice freezes hard (ferry in summer – 15 minute journey)
- _____

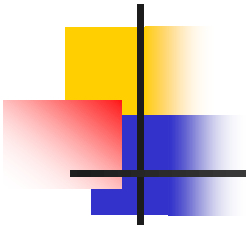
Helps your thinking

- Imagine an 84 year old high school dropout multi-millionaire businessperson – would they be more creative than you and I?
- Think about what would _____ do in relation to the problem you are facing

Contracting example



- There are clauses in a Request For Proposal (RFP) that are hard to deal with (legal clauses)
- We must win the contract, how can we overcome this?
- By _____



Possibilities

Cost-saving example

- Question all costs _____
- A company has found a way to save trees cut down to produce _____ with an outside the box, simple idea, what is it?
- _____

Can you creatively eliminate something that is _____?

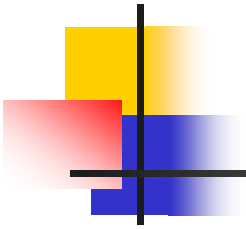
- In manufacturing, in processes, in systems, in administration, in accounting, in……?

A test for you

- A man buys _____ for $13 per dozen, and sells them for $9 per dozen and becomes a millionaire, how is this possible?

Personal life example

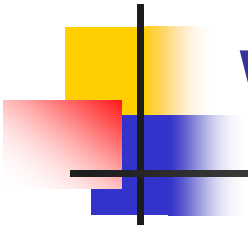
- I must leave for the office (KPMG) in 5 minutes, 15 minute drive, I don't want to be late
- My only clean office clothes are wet, I have no drier
- What should I do? _____



Problem

- A soap production process sometimes produces empty boxes, which need to rejected cost-effectively, for refilling
- Solution: _____

The last example is set in the world of aircraft de-icing

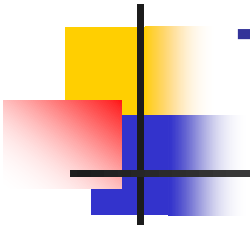


Explanation

- If there is anything on the windshield of your vehicle left outdoors, they are de-icing the aircraft at the airport (freezing rain, ice, frost, snow)
- It is illegal and dangerous to fly with contamination on the wings

Current aircraft de-icing method – spray hot glycol

- Expensive, poisonous, can‘t be done while loading the plane, slow, delays flights, bad for environment, gets in the ground water & rivers & lakes

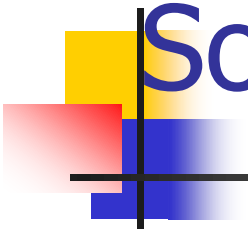


The creative alternative

Thinking tips

- Are managers paid to be creative?
- Does your culture reward creative thinking? Or scare people from coming up with creative ideas, which sometimes involves risk?

Sometimes I miss the obvious!

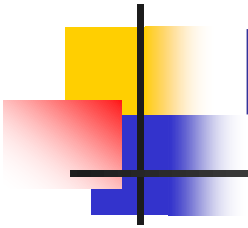


- I am really dumb most of the time
- My wife could confirm this….

Finance and leadership

1. No company can be really successful without an _____ CEO (or owner-manager)
2. But someone must _____ the _____ CEO and he/she must _____, for the co. to be successful- it may have to be _____

- _____ means: identify & minimize _____, stress-test options, shoot down the bad_____, keep them out of ____, etc
- (The board also has a role in balancing)
- (Public practice: Balance _____ client)



Four case studies

Role (continued)

- We are not telling them don't take _____
- But, don't be too _____
- Provide _____, don't just identify _____
- Someone said 10% of CEOs are _____
- "Steve, are you _____ to them?"

We also need to be the

- "Bad ___" of the organization
- Who is going to be that if it is not _____?
- Scenario: Customer has overdue A/R
- We should not _____
- Sales person tells the customer
- _____

A general tip

- Control what happens in business, put it in _____first, don't wait for the other party to do it, slant it in your favour
- Banking examples _____
- Employment offer example _____
- With your boss _____

Banking

- Obviously we need a banker joke…
- How does banking work?
- Have you heard of the ____ model of banking?

Banks

- I am not big on borrowing, but….
- Remember "Banks are never there when you really ____ them"
- Do you have a plan for the _____?
- Guess which bank has the biggest market share among attendees? _____
- Consider the _____ banks and ___ banks

Story

- A major accounting PD platform pursues me for video versions of my courses
- I look on the platform and note a course with a name similar to my best-selling course
- I buy it to check it out….

Relationships

- If borrowing, the key is a good _____, who understands and believes in your business
- Suppose you don't like yours? _____
- Get to know their ____

Banking

- Seven ways to get your banker on side:
  - When applying for loans, don't be over-optimistic in the financial projections you provide or they will ____ you with your own _____ (covenants)
  - (You should develop credibility with banks)
  - Present your projections in ways that put the best foot forward
  - Include a management _____ of results with your monthly reports – even though not required

Ideas

- Present shareholder _____, discretionary _____, and non-recurring items separately in historic P&Ls presented
- Estimated market values of assets in brackets
- Securable versus non-securable assets separately noted
- Disclose the company's order book (backlog) in a note

If you bank debt/facilities

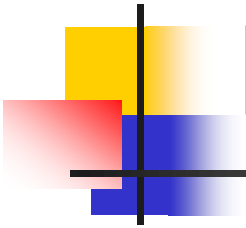
- You likely have to submit the following monthly

1. Financials
2. Covenant calc's & compliance certificate
3. Margining calculations

Banking

- Immediately share _____, good or bad (They don't like _____)
- Invite bankers to special events, which make the company look good
- Suggest they come to your organization and present courses on: _____ _____to your employees
- Have them attend _____ (as an observer)??!!!

Banks – maximizing what you have



Did you know this?

- Your line of credit may have a _____ that is the ability of the bank to _____, but this is not in the financing agreement
- I called my Big Five bank once, and was told my $2M line of credit, had a _____, if:
- a) the covenants were on side; and
- b) the account manager signed off
- You should call your bank after the course to find out!

A typical mid-market credit facility - review

- $1M credit line max, with monthly margin
- 75% of good A/R plus 50% of inventory, less statutory prior claims over secured lenders under the Bankruptcy and Insolvency Act (% may be less for foreign)
- Must calculate margin at month end and submit before end of following month
- Good A/R $1M, Inventory $500K Statutory prior claims $100K
- You can borrow: $_____

Maximizing margin

- If you need to maximize the margin calculation:

1. Time your _____ to maximize your margin & borrowing
2. Ensure you _____statutory _____
3. Clean the _____, before calculating

More margining tips in the **Sharpening Your Business Loan Negotiating Skills**

Margining receivables & inventory

- You reported this on May 10, so this is your current margin base:

	30-Apr-22		Margin
Marginable A/R	854,204	75%	640,653
Marginable inventory	500,142	50%	250,071
	1,354,346		890,724

- At the end of May, it is:

	31-May-22		Margin
Marginable A/R	1,020,333	75%	765,250
Marginable inventory	754,222	50%	377,111
	1,774,555		1,142,361

- You submit it at _____!

Margining receivables & inventory

- You reported this on May 10, so this is your currently margin base:

	30-Apr-22		Margin
Marginable A/R	854,204	75%	640,653
Marginable inventory	500,142	50%	250,071
	1,354,346		890,724

- At the end of May, it is:

	31-May-22		Margin
Marginable A/R	504,222	75%	378,167
Marginable inventory	454,722	50%	227,361
	958,944		605,528

- You submit _____

Margining receivables & inventory

- Suppose in mid-May, you got a large order from a customer, so it is:

	14-May-22		Margin
Marginable A/R	805,944	75%	604,458
Marginable inventory	433,344	50%	216,672
	1,239,288		821,130

- Then you call the bank and _____
- Also, try to get a _____ increase in margin calculations, I have heard of ____on inventory, instead of 50%

Banks - negotiating

- Ask about the _____steps and _____ so you can position the co better
- Consider a ___ contest or ask why they can't do what another bank offers
- A corporate guarantee alternative in some situations – a _____ letter

Another financing option

- You can __ almost anything these days
- There may be all kinds of _____ being entered into in your organization that you are not aware of (by IT, purchasing and ?)
- But, you need to assess the _____ and the tax, accounting and qualitative implications/factors

Conclusions

- Do you have any other bank-related tips or questions?
- Bankers have agreed with all my points, a lot related to good _____

Sharpen Your Business Loan Negotiating Skills

Negotiating an actual bank offer to finance:

- Security, interest rates, guarantees, covenants, margining, fees and costs, bank outs and veto rights, financial reporting & more

Banker reviewed!

- Covenant and interest rate benchmarking
- 110 plus tips on all kinds of points
- New 2 hour video course with CPA Quebec

Practical Foreign Exchange Management

- New 1 hour video course with CPA Quebec
- Learn practical foreign exchange management approaches & tips at an Intermediate level
- A CFO perspective, not a banker's
- Lessons are driven home by discussing a short case

You just heard quite a few negotiation tips

- There are many more in my half day course:
- **Practical Financial Negotiation Tips**
- Financial negotiation tips in many different areas, presented in a compelling way, with lots of examples
- Not just a tactical negotiating course
- Showing financial and business creativity in negotiating
- Also, includes negotiating your salary…

Financial reporting

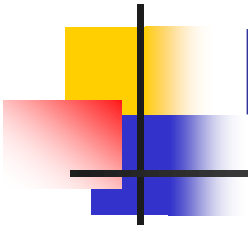
- Provide your non-finance colleagues with simple explanations of financial concepts
- But at the same time, keep it all a _____

Financial reporting tips

- Bad financial reports = ___ from the system
- You want better reports for your users for decision-making
- Not just #s, always provide insightful____ analysis with _____ -oriented comments
- Give the data, the _____, the _____, the _____, the _____
- The hierarchy: the data ➔ _____ ➔_____ ➔_____

Example – data

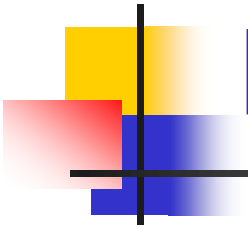
- **Division revenues were $44.33M in the month, pre-tax income $1.02M,** attached are the financials



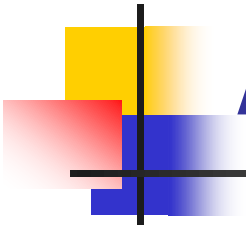
Example – data and wisdom

Example – data

Toiletries			
Monthly sales highlights			
	October	Monthly avg	YTD
Toothpaste	212,493	209,333	2,089,143
Conditioner	26,562	27,001	270,010
Shampoo	84,997	103,697	1,036,965
Soap	134,434	132,339	1,323,390
	458,486	472,370	4,719,509



Example – data and wisdom

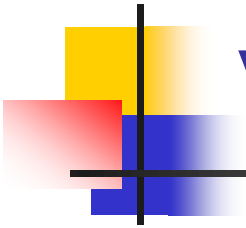


Another example

Financial reporting improvements

- Do they _____ at your current reports?
- Find out if they do, how?
- Ask them what they'd like, if they could _____ (send them to the whiteboard)
- Some may say, "I have no ideas"
- Some may say, _____ me

Why are they not looking at your reports?



Slipped into a recent Cost Report to see if it was read

I think 99% of financial reporting done by accountants is by

- Legal entity
- Department/division/fund
- Job/project
- Geography
- Obvious product/service line
- Key idea: what about some other ways of reporting? (internal only)

Report results differently

- Examples
- _____ _____
- _____ _____
- _____ _____
- _____ _____
- _____ _____
- Any ideas from you? _____

Also think of insightful measures of “profit per”

Notes

- Push _____to think about different ways to report
- This reporting could be straight from a revised G/L or extractions from the G/L with _____…

New reporting and accuracy

- You have a good idea for reporting profit by ___, but you know it won't be totally accurate, some estimates/allocations are needed, etc.
- Do you give up on the idea, or go ahead, making users aware of the limitations…..__________
- At least roll up _____ if you can't roll up full results

Financial reporting wisdom

- Consider different cost roll ups, e.g.
- _____ _____
- _____ _____

Don’t just explain the past

- Predict the _____
- The future is more important to the owner/CEO than the past…
- Accountants should not just look backwards

- Spend more time on forward-looking activities, although it is more ____
- Consider what you do, is it forward or backward looking, forward is more valuable

High level – private businesses

- Consider an ___ key number summary of your organization situation and results for the Board/owner that tell the big picture
- Not just numbers from the ___!
- Report say quarterly, actual against target

Financial reporting - other

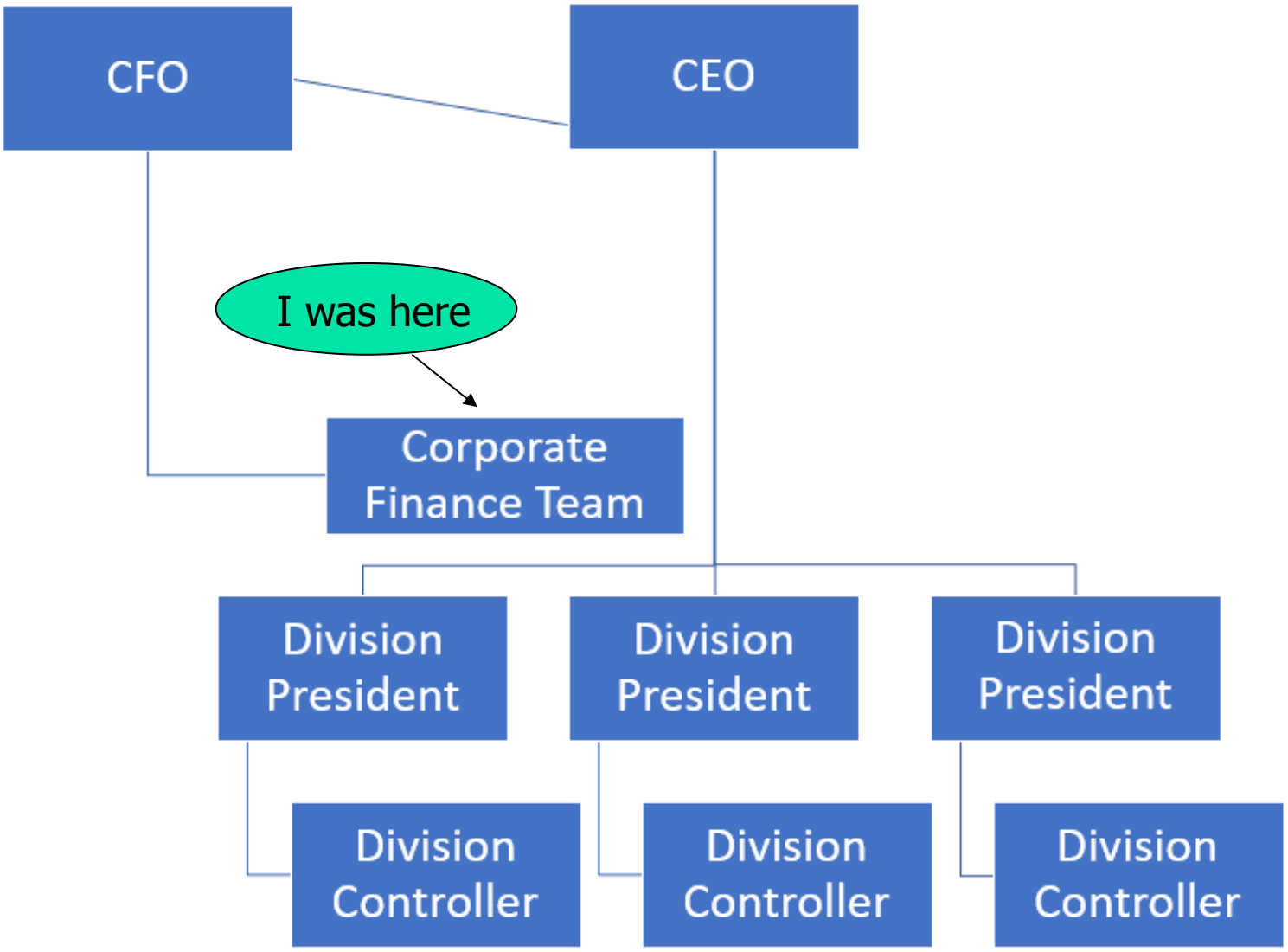
- New financial accounting standards keep coming…

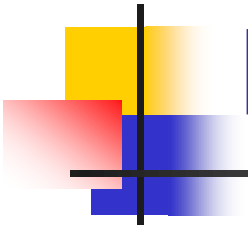
When are the amendments effective?

The amendments are effective for annual financial statements relating to fiscal years beginning on or after January 1, 2023. . Earlier application is permitted

- Don't forget _____of new accounting standards, if there are advantages
- Who should divisional finance staff report to

_____


CFO
CEO
I was here
Corporate Finance Team
Division President
Division President
Division President
Division Controller
Division Controller
Division Controller



Revised structure

Financial reporting

- Improved internal reporting is covered with in my course **Practical Tips to Improve Your Internal Financial Reporting**
- A 1.5 hour course with CPA Quebec, containing about 80 more tips
- I presented this case at the International Management Accountant's 91st Annual Conference in Baltimore and it was well received

Cost-saving - general

- You need to be a _____
- A famous author wrote: " A cynic knows the cost of everything but the ___ of nothing"
- Good cost saving ideas will make you look good and could help justify your ____

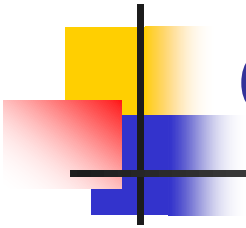
Property cost reduction ideas

- Sub-_____ any extra space
- Exit lease by_____ an exit clause or assigning the lease
- Watch for _____ in op cost charges (net lease)
- Find a building with _____
- Reduce your_____ by appealing
- Switch to _____

Cost-saving

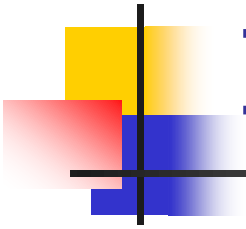
- Consider out-_____, everything is on the table (except your _____)
- Maybe you need to in-_____
- Should you send processing work offshore?
- Some conclusions _____
- Don’t send your ____ offshore!

Then we out-source everything else



Note

- This is the _____ approach, to stretch our minds
- I have worked for organizations that out-sourced many of the functions, but not _____



I have outsourced these

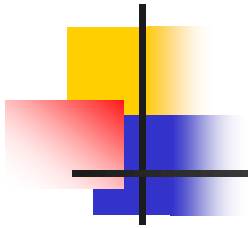
A CPA told me

- “They forced me to offshore my accounts payable”
- “I had to let go of James and the entire team, and it was moved offshore”
- “In honour of James, who was let to go, we….”

Questions

- Is offshoring wrong? _____
- Is _____going offshore, if __ doesn't do the work? _____
- Is your _____ going offshore? _____
- (Canada is the cheap location for _____!)

Systems funnies with lessons…



Clerks and junior staff

- Check what your clerks do by _____ (you or a subordinate) or sitting _____ them
- Why: Bond with them, tell them __ they do things, fix _____, check if they _____, are they doing ____ stuff, can the work be _____? do they have the ___ they need? do they work a full ___?
- And just for me _____

Cost reduction via SRED

- SRED = _____
- Cash refundable/or tax credits for _____
- Don't assume you don't qualify because you are not in high tech!
- Any industry, no budget cap, 1,400 technical word max, no pre-approval, stop any time

The write up

- *We found a new way to glue wood chips together*
- Or
- _____

  _____

SRED

- You are interested, where do you start?
- You may be able to finance it
- _____ for bonus tips
- Also good tips on getting timesheets done, and getting scientists to write the reports are in my **Practical Work Solutions from Case Discussions** course, plus other topics, 2 hours

Cost-saving

- Buy major items when?_____
- Find a _____ who would be intrigued to solve your technical problem cheaply
- Your tips:
- _____
- _____

Cost-saving consultants with success fees

- Pay them based on % of _____
- Suppose: 3 week review of __ at a __% fee and they find $___? $____? Conclusion:_____
- Therefore a win-win, unless you get _____!

Cost-saving consultants

- Squeeze the area first, don't leave any low-hanging ____
- Some areas they may be able to help you: customs duty, freight, fuel tax, Worker's Comp, employee benefits, telecom, purchasing, utilities/energy costs, bank fees, logistics, mass-mailing, lean manufacturing, duplicate payments, sw maintenance, contract review, landlord operating costs, printing/copying, foreign VAT, cleaning, sales taxes, EHT (Ontario), SR&ED
- Others you can think of?

Contractual tips

1. Contract must clearly _____ the savings
2. Consultant must be required to explain _____ the savings are achieved (to educate you)
3. _____limit the ____ of the review
4. Get them to tell you about _____ (tax)
5. Bargain down the ___they want to charge (ask for a cap or even _____)
6. Time limit the payback period, if any
7. Protect co. from _____ consultants and ____

Finally: ___ them if they are good!

Practical Brain-Storming – Top Ten Trouble Spots and other Useful Topics For Financial Leaders

This half day course covers additional cost-saving areas:

- Insurance & risk management
- Travel
- Payroll and benefits
- Plus: my best leadership tips, dealing with sales, the top ten trouble spots for financial leaders with solutions and quantitative finance performance measurement
- 4 hour course

New course, if tight cash,

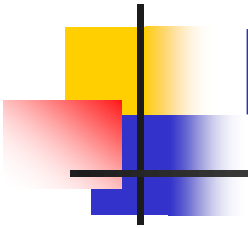
- **Practical Tips to Get Through Cash Difficulties**

I took a one hour Big Four firm course on this topic

- All theory and MBA buzz words
- Strategize/Mobilize/Energize
- Great tips like: “check if there is a bank account that you forgot about…

Comments on course

- It was greatest presentation I have ever attended through webinar
- I feel you gave a good cheat sheet to any of the participants to help their companies survive through the current Cash Crisis
- Good to have practical tips, real life examples – not just for during a pandemic but other times of crisis as well
- Your seminar was a great review of tools and things available to a company in this difficult cash flow time
- Well presented, like the questions and instant feedback
- It was very informative and thought provoking
- **I was a 30 year Banker, leading corporate lending teams for a big 6 Bank, and found the information very on point and would be useful for people having to deal with their Bank in this environment**
- For myself personally the accounts payable ranking really stood out - it was helpful to see it laid out the way that you did it
- I'm gathering my virtual learning kids around to watch this. Better than any other entertainment
- **It was a good session, slides had good content, you have a personable delivery, this is good stuff (Licensed Insolvency Trustee)**



Exercise time

Lawyers and legal fees

Objectives:

1. Reduce legal fees from outside lawyers
2. Get legal work done faster, whether inside or outside lawyers
3. Improve quality of the work, whether inside or outside lawyers

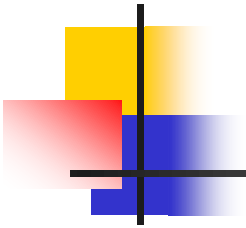
Question

- Do you think lawyers are less ethical than accountants…?

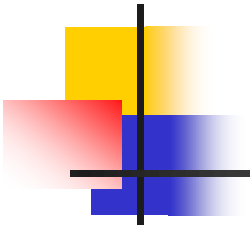
Lawyers and legal fees

- Without an internal lawyer, legal questions tend to come to ___
- Lawyers usually prefer the _____-free approach, examples
- The weak ones only think legal implications, not business objectives
- You need a lawyer with a _____ perspective, who can _____ risk (then we make a business decision on risk)

How do you know these are lawyers?



Because of the risks, I realize I need to add an exclusion clause to this course relative to something I said earlier…



Note

- I am using unusual examples to show that lawyers are extremely risk averse
- The problem is people do ___things, lawyers sometimes make wild claims, and courts side with the plaintiff
- I am more concerned with their extreme positions on _____ and unwillingness to measure risk, than **warning labels**

Communicating through lawyers

Their lawyer

Your lawyer

You

Them

Communicating through lawyers

- Lawyers shouldn't be running your business! This is the tail wagging the _____ !_____run the business
- Take charge in many situations and communicate directly, but not all..
- Exceptions: _____
- You decide how many _____ come to the meeting/sit in on the call

Examples of not communicating through lawyers

- The company purchase
- The debt settlement

Lawyers - more

- Don’t let them draft contracts, you do it
- Use templates, where to get:
- _____
- _____
- Real contracts: _____
- Contract clauses: _____
- Draft in English, the lawyer can translate into _____, if you can’t
- When should legal be involved in review? Based on analysis, it is insurance

Challenge

- Sadly, I have been so tainted by lawyers, that I can speak/write legalese!
- Someone give me a random sentence about anything in the world **(not a song or poetry!)**
- And I will translate it into “legalese” instantly!

Writer's block tips

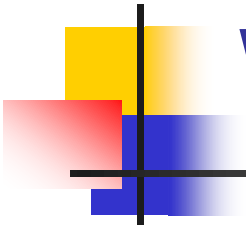
- Stuck, everyone can _____
- Write what comes to mind fast and insert __ if you don't know what to write and keep moving

You say, stop wait

- Often the contract/agreement is already drafted, it is too late for me/us write it
- And I am asked to review it…
- Yes, this often happens to me
- Contract review tips/stories/jokes/checklists/practice are in my 1 hour course **Contract Review Tips for Accountants**

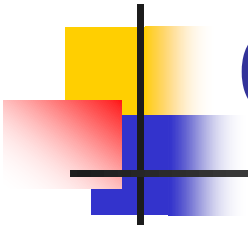
Sometimes

- You need to question lawyers, don't assume they are ___ or they have _____
- You may need to _____what the lawyer drafted
- Often their version is: too threatening, too long, not comprehensible, will cause problems with the other party
- Example _____



Which is the better approach?

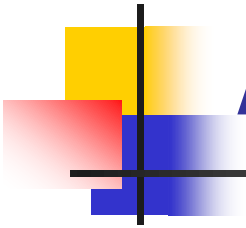
- Call to lawyer to discuss a dispute with a customer for 2 hours
- Lawyer gets back on documents needed 3 days later
- Then 2 weeks of document gathering for the lawyer
- Then wait for the lawyer for a week



Or..

More ways to reduce legals

- Summarize __ so they don't
- Get _____
- Get a detailed _____ so you can audit it
- Ask for a _____ to monitor spending
- Don't pay fees for their _____!
- Request a ____ lawyer for some work



Another lawyer joke

Secretary work

- Who is looking after your _____?
- Bring it in-house now!
- There are many things you can do:
- Take the _____ yourself
- Report changes in directors
- You can run the _____ledger
- Others things you can do

Final thoughts

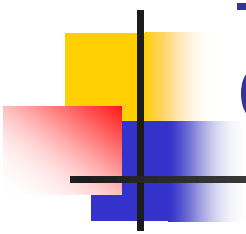
- Another useful website: _____
- Pay your lawyer with _____
- Use arbitration/mediation instead of litigation
- Always be careful, you don't want to assume away some huge legal risk
- I actually don't _____!

You have just been hired

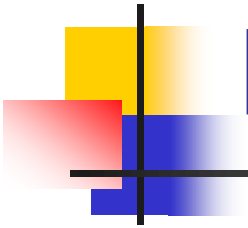
- My thesis:

1. Every senior finance job that you might take may well have __ in the closet (business and personal)
2. You have a few week's grace & then all the _____ are yours
3. You need to find out all the things that could ___ you later, during this period

- (Also good when you acquire a business)



_____ are pretty well guaranteed if your predecessor…



Examples

Note

- There often _____, but likely few/none if:
  - Your predecessor _____
  - Your predecessor ____, after long service, and chose their _____

The new job

- Where should you focus your review, to reduce risks and learn about the business fast?
- I want a few tips from you:
- _____
- _____
- _____

The new job

- Understand the corporate _____& _____
- Find out the drives and motivations of the key _____
- Consider performance versus industry
- Pull the ____reports (do it annually to fix them)
- (Above, ideally done at the interview stage!)
- Fully understand the _____ side

Note

- I told you I do the ethical due diligence on a possible employer
- After more than one employer had _____when I joined, that they didn't disclose in the job interview, I do a _____on potential employers
- This can include asking _____

The new job

- Do a ____ analysis (_____
- _____)
- Take _____out for lunch (chat with their _____), find out finance pain points
- Also your talk to your _____
- Hold an immediate _____when you start

Special family business tips

- Find out who really pulls the _____
- It might not be who you think
- (Not the President but the founder who is not in the office, the spouse, etc)
- Ask about ____ on payroll (better to find out that Sally is the owner's _____, early on…)
- Check the shareholder accounts

The new job

Some others:

- Take the _____ tour
- Look at your team's _____ & _____, & quickly assess their ___ and find the _____
- Review key contracts with ___, ____, ___
- Read past audit _____ and _____
- Look at the ____ and _____

The new job

Some different angles:

- Review predecessor's ___ ____ _____
- Do a _____ analysis
- Conduct a _____ review
- Open all the _____ for a while
- Examine manual _____

Manual journal entries reveal…

The new job

More different angles:

- Sign/approve all _____ for a while
- Talk to some _____, and especially the _____
- Find the ____ file!

Your new staff

- Find out all _____ now from _____

Your first staff meeting – a skit

- Offer an _____
- Could be via _____ note or rewarded
- Ask for a five year detailed_____ (you don't need to do anything with it!)
- Be careful how you present this

My first day at work story after staff meeting

- There is a knock at the door from a junior clerk
- She tells me that….

My best tip

- One guaranteed way to find all financial reporting _____, and ensure no future write downs, write-offs, reversals, restatement
- _____ the _____ (___ balance level) when you start, what is there and not there
- Remember to deal with the process issue behind the symptom

Skeletons

- Examples from you? (current or past job, or as auditor)
- Some _____ may be positive, good to find them
- Suppose you are not the CFO? _____
- _____

More examples

- $5M unsupported entries, not in the G/L
- Inexperienced accountant dividing foreign exchange, not multiplying
- Controller getting paid bonuses unfairly from each partner, who each sign cheques unbeknownst to the other
- Multi-million thin cap tax issue (me, public co)

More examples

- Bank loan not on books (me – auditor)
- Lawsuit from "back door" sales by sales person
- All senior finance people quit, clerks doing cash accounting for six months
- Dollars instead of units in inventory

More examples

- Entries made to closed and reported periods (oops!)
- The balance sheet didn’t balance (ouch!)
- $50M fraud, SEC investigation (public)
- A mistress on the payroll

Some final comments

- Did you miss any _____/____files when you took your current job?
- Don’t leave them in your closet!
- Prepare a _____ for your successor
- Also consider one for your new boss

Bonus personal tip

- Companies sometimes _____ employees
- A way to get some _____
- Only works for some private companies
- Try to get at least one ___ in the private the company you work for

Why?

- Stop them from dropping the _____
- Approve new share classes ahead of you
- Get the _____ every year
- Can demand the shareholders' _____
- You have rights to examine certain records
- Receive _____
- Have legal minority _____ protection
- Get an invite to the ___ and vote, or send a proxy
- Can force a _____
- How did I learn this?
- How to get one? _____

Shares for employees

- Having employees own shares is very motivational
- An _____ company looks good
- What about liquidity?
- Set up an internal ____ exchange
- But don't give shares to employees unless you can _____if they leave, or at least _____vote them

Stories

- The controversial shareholder’s meeting
- I meet my crooked former CEO again at the company’ s AGM

Auditors/accountants

Reduce fees and get more from them:

- Compare value between _____
- Use _____ to your advantage
- Get freebies - push them to _____ your business with _____
- Draft _____ yourself and then get them blessed
- Have them review _____ you prepare
- Control the _____ preparation process
- Do the _____ yourself!
- _____ their approach

Technology

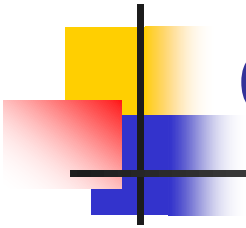
Valuable advice:

- "Don't throw technology at a problem if you don't know _____"
- Another way of saying it: "Don't give the ____, the tool"

Some useful technology tips

- _____
- _____
- _____
- _____
- _____

Courses and absorbing on the go



Some useful technology tips

- _____
- _____
- _____
- _____
- _____

Note

- I have 15 minutes of useful and unusual personal productivity tips in my course **Practical Work Smarts for All** course (2 hour course)

Technology tips

- Tech tips/apps from you?
- _____

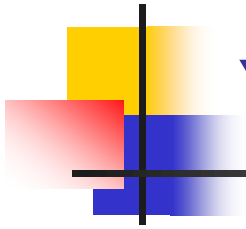
A few system tips & thoughts

- Have you ever heard: “The system won’t let me…”
- You should find a way around this
- If you can’t, a solution very few of you use _____
- Purchase enough user _____ for your new system, but not too many..

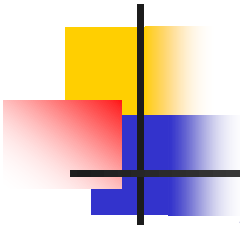
Bonus tip

- Use a _____, gives you the choice
- May help your ____
- Burns some _____
- Keeps you _____
- May help you think better
- Employer must provide one for all office workers in _____! (up and down choice)

What do you do when travelling?



You have to get outside the box and….



You have to get outside the box and build one with whatever is available!

Conversions

- Converting to a new system – the data transfer issue
- A short case study
- Not the textbook method, but it works!
- _____

This company apparently used this approach….

Conversions

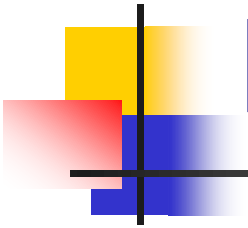
- How to look at the historic numbers?
- _____
- The only things you should import are _____
- (This is high level, there are some complications and there is a lot more to a conversion project than this)

In a typical session

- 85% of the class have never heard of this veteran tip
- 15% of this class know it and can confirm it works….

Board of Directors

- Get them ___ prior to the meeting on your critical proposal
- Do you give the board direct access to senior employees?
- An _____ board for a family owned co.
- Send ALL the material out in _____, as long as they will _____ it…!



For kids if any there

M&A – watchouts

- Acquisitions for the wrong reasons
- Poor _____
- Difficulty financing or paying too much
- Don’t underestimate culture issues
- Don’t be afraid to recommend __!

M&A – remember this

- Use a working capital _____ clause, e.g.
- Cash purchase price agreed on in late Sept, based on Aug 31 year end f/s $50M, when working cap $6.1M
- Deal to close Nov 30, with cheque in December
  - Working cap at closing date of Nov 30, $4.1M
  - Hand over a cheque for ____
  - Ethics & creativity issue: acquirer preparing Nov 30 f/s
  - Example, a Nov 30 accrual for 11/12 of the ____

Someone wants to buy you

- Reminder for acquiree: ask for a ___ - ___ fee if a company wants to buy you
- Typically ___% of deal value

M&A – an alternative

- Acquisitions are rare and there is a way to get many of the benefits of an acquisition, without the costs and difficulties:
- _____ instead of acquire
- Not legally a _____

Financial reporting – the close

- Is financial information real-time?
- Month end close speed
- Why close fast? _____ and _____
- Do you have a fixed closing deadline imposed on you?
- Our survey is a win-win for you all
- If you are slower than avg tell your boss this proves you need _____
- If you are faster than avg ask for a ___

The close survey

- A monthly close means _____
- Working days you take to close __
- Class average __
- Overall average __
- City average __
- Remember to tell your boss
- The fastest & slowest closes
- How long does it take ___ to close ____?

Shortening the close

- It's always a _____-off, what do you lose by shortening the close by X days?
- Don't abuse your _____!
- Some of these tips may help you with other _____
- Another course on this topic: _____

Some ways to close faster

- Do a real ____ close
- Challenge every _____ in your current process
- Balance the staff _____
- More automation of processes
- Do some steps in _____
- Convince non-finance of the value of their ____ to a fast close, to the CEO/owner
- Close early (a ____ close on the __?)

Some ways to close faster

- Fix it _____ month
- Drop head office resources into the ___
- Flash report _____ as soon as available
- Electronic _____ visible to all
- Make a faster close promise to a _____
- Give a _____ if ____ target

Key indicator reporting

- The old way of reporting
- A new idea
- It was well received
- Manage the company from _____

a kind of _____

- You could call it the vital _____ or the _____

From this to this

The dashboard

- About _ weekly key indicators for the CEO/senior management/owner
- A balanced scorecard, aligned with strategy & key goals (not full financials)
- Who should report it? Why not finance, we are the _____ people
- Who here reports extensive non-_____ data?

Measurement

- I know numbers don't tell the whole story…but numbers are very useful
- Financial score-keeping is important, but we are not talking about just _____
- Report volumes, %, per unit, ratios, heads….

In the dashboard

- Report the usual _____ including _____
- But provide extra insights: not just **cash balance**, but _____
- Not just **revenue**, but _____

Key point

- Report the standard measures, but you need to look for more and _____ really _____measures that communicate so much
- How to think of new measures:
  - What are the critical decision-making indicators in the business? the drivers? the levers?
  - What are the key success factors?
  - Tip: think of an org objective and ____,
  - Example: co wants to minimize job site emergency pick ups, so measure and report them (or safety example)
  - ("What gets _____ gets done")

Invent them

- Examples (financial or non-financial)
- _____ _____
- _____ _____
- Have you invented any? (or a colleague)
- Get others inventing them
- Present them in a different way?_____

An example – consulting engineers

- Old measures: Revenue, avg revenue per hour, % billable

- **Billable %=**

  Hours billed/40 hours

Note

- Other functions may be reporting their key indicators to leadership
- My challenge:
  - Review their measures, improve on them, propose new ones
  - Integrate their #'s with your reporting ideas, so it is a true organization dashboard
  - Only about __ of organizations do this

More inclusions

- Historical and _____-looking numbers
- Include targets (or what needs to be done to ___ targets)
- Include relevant external data, examples:

  _____
- Rolling averages reveal ____

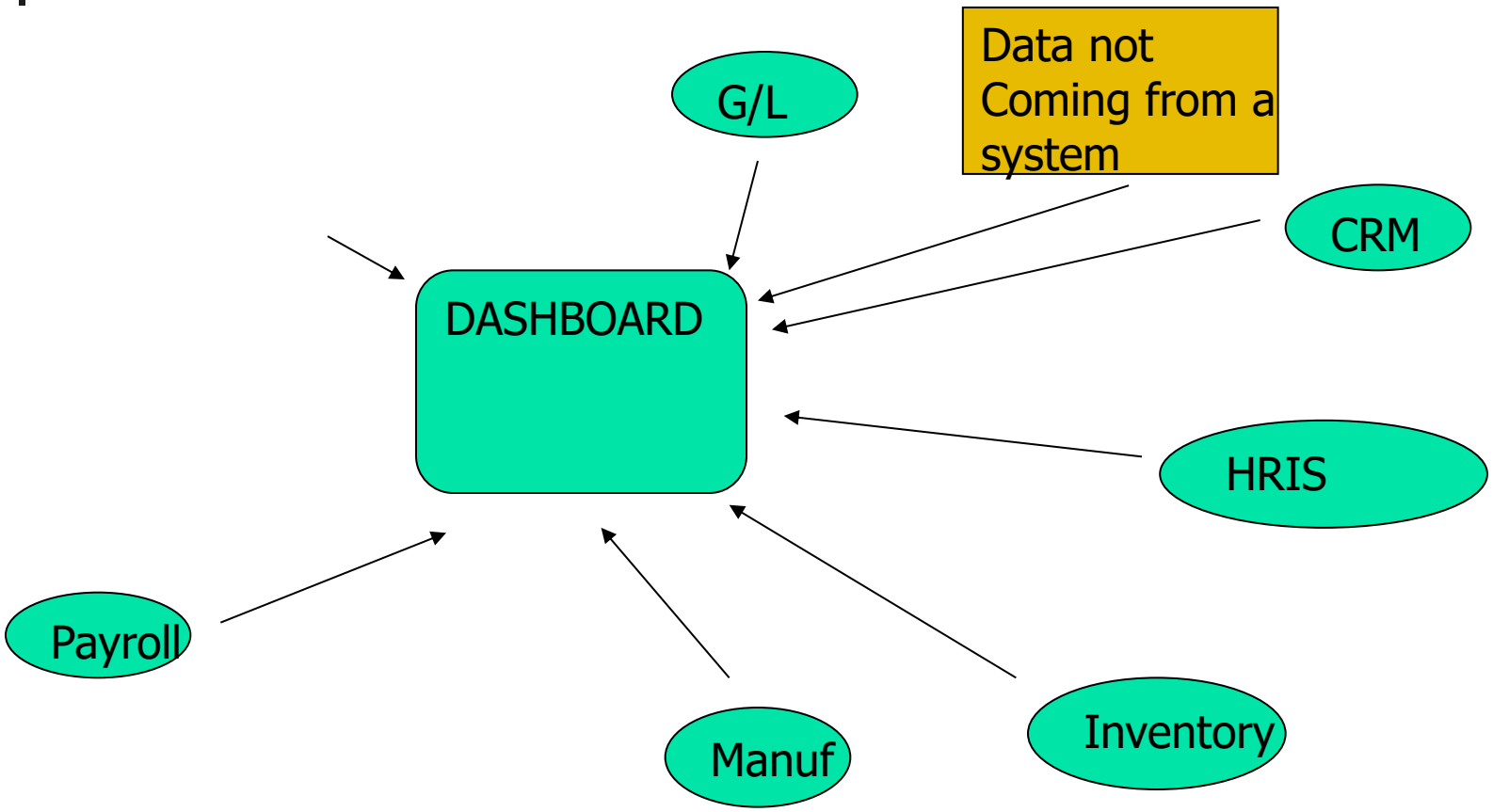
Preparation

- When do you report the dashboard?

  _____

- Align preparation with existing processes, save work, there must be benefit>cost
- If you don’t have an ERP, you may be pulling numbers from many different systems, via software or manually

Multiple systems input (no ERP)



Validation and checking

- Do you validate numbers coming from other departments (at least _____)
- Do you have time?
- If you suspect other departments are _____ the numbers, you will have to become the _____
- Sometimes there may be political issues with other departments…

Let’s look at an example

- The next two pages of your handout
- Many different ideas, over 100 indicators to get you thinking
- Types of measures are grouped
- Don’t take them all seriously…

		COMPANY X		Handout: Practical Tips for Controllers & CFOs seminar					
		WEEKLY DASHBOARD		COPYRIGHT © 2020 STEPHEN PRIDDLE, CPA, CA, CMA					
	YTD avg	8 wk rolling av	4 wk rolling av	29-Nov	22-Nov	15-Nov	08-Nov	01-Nov	25-Oct
Cash									
Cash by currency									
Short-term investments									
Operating Line borrowed									
Operating Line available									
Collections from customers									
Cash disb, ex payroll									
Short-term cashflow, net next 8 weeks									
Revenue & profit									
Contracts signed/orders received									
New customers signed up									
Customers lost									
Orders cancelled									
Bids lost									
Proposal success rate									
Sales price versus list									
Break-even information									
Unit or $ sales of key products									
Key customer revenue									
Key revenue categories									
Sales commission information									
Invoicing									
Business backlog (backlog)									
Weighted business pipeline opp's									
Latest fiscal year estimate									
4 weeks ahead planned revenue									
Book to bill ratio (contracts signed versus revenue recognized)									
Forecast profit data									
Revenue per employee productive hour (retail)									
Warranty payments (contractual)									
Warranty payments (goodwill)									
Manufacturing/purchasing									
Key unit data									
Cost variances									
Inventory $									
Slowest-moving SKU									
Product returns									
Quality data - rejects									
Lost hours due to....									
Downtime									
Rework									
Unused capacity									
Order backlog (purchasing)									
Capital expenditures (by type)									
Projects									
# of active projects									
# of new projects engaged in week									
# of projects closed in week									
# days until closure of key project									

Working capital

U.S. exchange rate
Total A/R
A/R current
A/R 1-30 overdue
A/R 31-60 overdue
Red flag A/R being monitored
Allowance for doubtful accounts included above
Days sales outstanding (DSO)
Accounts Payable
Current liabilities
Working capital

People

New hires/rehires
Terminations
Employee headcount
Turnover trend
Headcount by department/division
Open positions for hiring
Gross wkly payroll
Commissions earned
Contractors
Overtime hours
Sick hours
Staff utilization (% of time on customer work versus standard work week)
Staff load factor (% time on customer work, of actual available time)
SRED hours

Long term financing

Government grant remaining
Share information
Short-term debt
Long-term debt
Bank covenant position

Some other ideas, depending on business

Vehicle, trucking fleet
Vehicles in repairs
# of toilet paper rolls used
Student data
Help line calls
Website visitors
Patient data
Occupancy data - property management, hotel
Waste by location
Sources of leads generated
WCB claims
Weather statistics - agriculture
Customer churn (customers cancelling subscriptions, etc.)
Per square foot data - retail
Relevant compliance measures
Customer complaints
Commodity prices
Idle assets
Industry data
Environmental measures (units recycled, litres leaked, etc.)
Market share measure
System down time
Advertising payback

Notes:

You need to customize to your organization, you wouldn't have this many, this is an expanded potential list

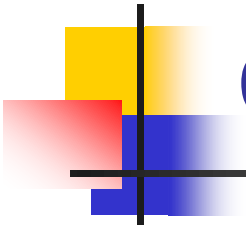
The dashboard is released

- Lots of data, so you are actually doing _____ review rather than reviewing each one (colors)
- Understand the #'s before release
- Provide value-added interpretation
- You need _____ loops to operations
- You can automate emails to key people based on certain parameters

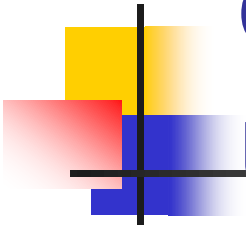
Other angles

- Make them ____ targets, but be careful!
- Don’t over-measure
- You should always step back and say “are we missing something that is not in the numbers?”
- Should it look like ___?

Should it look like a dashboard?



Data visualization can make it easier to understand (artistic users)

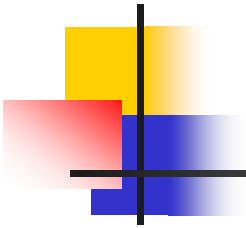


Different levels

- Can also be done by dept, division, plant, legal entity
- If you “consolidate” numbers, use _____ averages

Other thoughts

- What about some kind of weighting or _____ of measures?
- Never stop _____ them, this has evolved everywhere I have implemented it
- Some measures should be _____, not weekly, on _____
- Public accountants/consultants: build one for your clients



Linking with weighting eg

Reactions from you

- Doesn't fit my organization
- I will try to implement it, perhaps with _____
- My owner has _____, but I will start reporting 20 measures
- I just like the _____idea alone
- Great idea, no time
- Will do for my _____, this will impress the head office, they will probably ask all the divisions to do it

What about a finance dashboard?

- Quantitative performance measurement for finance
- Monitor performance, drive efficiencies, protect headcount, justify/measure systems improvements
- Full presentation in the **Practical Brain-Storming – Top Ten Trouble Spots and other Useful Topics For Financial Leaders** 4 hour course

Other comments

- I know you all want to ask me whether I have a _____
- What happened to that aircraft de-icing technology?

What happened to the de-icing technology mentioned earlier?

My other courses

The business and NFP versions of this course, 6 hours:

- **Practical Tips for NFP Financial Leaders**
- **Practical Tips for Government Accountants**

My other courses

More courses are being developed…

- **Practical Work Smarts for Accountants** 2 hours
- **Practical Brain-Storming – Top Ten Trouble Spots and other Useful Topics For Financial Leaders** 4 hours
- **Practical Tips to Get Through a Cash Crisis** 2 hours
- **Practical Financial Negotiation Tips** 4 hours
- **Practical Work Solutions From Case Discussions** 2 hours

Short topical courses

- **Practical Tips to Improve Your Internal Financial Reporting**, 1.5 hours
- **Sharpen Your Business Loan Negotiating Skills**, 2 hours
- **Contract Review Tips for Accountants**, 1 hour
- **Practical Foreign Exchange Management**, 1 hour

Top-selling ethics courses

- **Ethics – More Than Just The Code** 2 hours
- **Ethics – That Feeling In Your Gut** 2 hours
- **Ethics – Where the Rubber Meets the Road** 2 hours

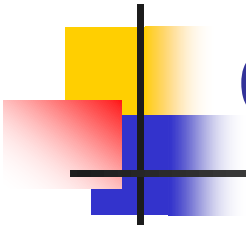
All my courses – by topic

Heavy coverage *** Medium coverage ** Light coverage *	Practical Tips for Controllers & CFOs	Practical Tips to Get Through Cash Difficulties	Practical Financial Negotiation Tips	Practical Brainstorming - Top Ten Trouble Spots & Other Practical Topics for Financial Leaders (1)	Practical Work Smarts for All	Practical Tips for NFP Financial Leaders	Practical Tips for Government Accountants	Practical Work Solutions from Case Discussions
Length	7 hours	2 hours	Half day	Half day	2 hours	6 hours	6 hours	2 hours
Humour	***	***	***	***	***	***	***	***
Improving financial reporting	**					***	**	
Bank negotiations	**	**	*			**		
Dealing with tight cash		***						
Negotiations	*	**	***	*	*	*	**	**
Cost-saving	**	**		***		**		
People & management	*	*	**	**	***	*	**	**
Business smarts	***	***	***	***	***	***	***	***
KPIs	***					***	***	
Fast close	**					**	**	
Technology/systems	**				**	**	**	**
Strategic thinking	*	*	*		**			***
Lawyers/contracts	***		*			***	***	
SRED	**							
Taking a new job	***					***	***	

All my courses – by topic

Heavy coverage *** Medium coverage ** Light coverage *	Sharpen Your Business Loan Negotiating Skills	Practical Tips to Improve Your Internal Financial Reporting	Contract Review Tips for Accountants	Practical Foreign Exchange Management	Ethics – Where The Rubber Hits The Road	Ethics – That Feeling in Your Gut
Length	2 hours	1.5 hours	1 hour	1 hour	2 hours	2 hours
Humour	***	***	***	***	***	***
Improving financial reporting		***				
Bank negotiations	***			***		
Dealing with tight cash						
Negotiations						
Cost-saving	*		*	*		
People & management						*
Business smarts	***	***	***	***	***	***
KPIs						
Fast close						
Technology/systems						
Strategic thinking						
Lawyers/contracts			***			
SRED						
Taking a new job						

More courses are being developed



Entirely new request

- You have a feel for my teaching style, background etc.
- Do you have suggestions for other topics you would like me to teach on….

Note

- Some people have approached me to do in-house versions of this course in corporations/accounting firms/government for clients
- Or in-house courses on ethics, or creative thinking
- Contact me if either of these options are of interest to you

Closing comments

- I hope to meet you one day at an in person course
- Was this boring?
- Send me an e-mail **spriddle@bell.net**, to get completed slides
- Do LinkedIn with me
- Please complete course evaluations

Large file, check junk mail..

PRACTICAL PD