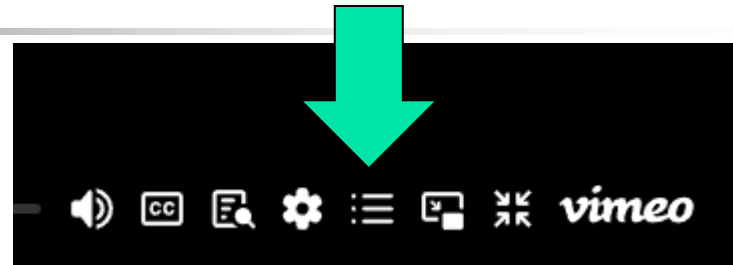


Course chapters on Vimeo

- 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



COURSE INFORMATION

- This course deals with complex matters and may not apply to particular facts and circumstances. For these reasons, the course material should not be relied upon as a substitute for specialized professional advice in connection with any particular matter. Although the course material has been carefully prepared, neither Stephen Priddle, or the professional body sponsoring this seminar accept any legal responsibility for its contents or for any consequences arising from its use.
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Note about electronic material

- You have the option of **printing the material** and taking notes during the presentation, 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. Note you will need one device to watch the course on and one device to take notes on
- Upon request to course instructor spriddle@bell.net, you will be sent a fully completed and populated slide deck on completion of the video

GOTHIC ART SEMINAR

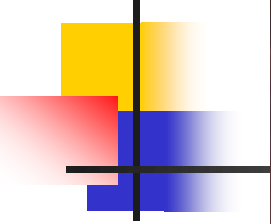
1200-1600





***CANADA'S MOST
BORING
ACCOUNTANT
CONTEST***

**PARTICIPANTS'
PREPARATION COURSE**



Excuse me...





PRACTICAL TIPS FOR CONTROLLERS AND CFOS

www.practicalpd.com

Stephen Priddle, CPA, CA, CMA
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
- The most important question
- 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 if you ask spriddle@bell.net**



**SÉMINAIRE BILINGUE:
LE MATIN SERA EN
ANGLAIS, L'APRÈS-MIDI
EN FRANÇAIS**



I wish we were live....

Watch this any way you want



Do not watch while driving please!



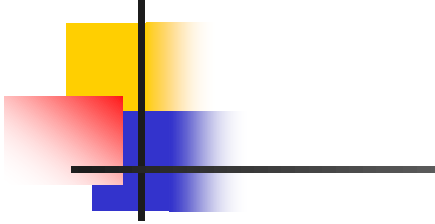
Introduction

- All are welcome to this webinar
- I hope to help save businesses and organizations and jobs
- I wish we were live!
- I want you to see me
- The bad news and the good news.

Where am I?

- I am at home in Ottawa, 9 km from







**THERE WILL BE A FEW
SLIDES FOR YOUR
PROVINCE ONLY!**



Type “the team” in the chat if

- You believe your team will win the Stanley Cup during your lifetime





Type “the team” in the chat if

- You believe your team will win the Stanley Cup during your lifetime





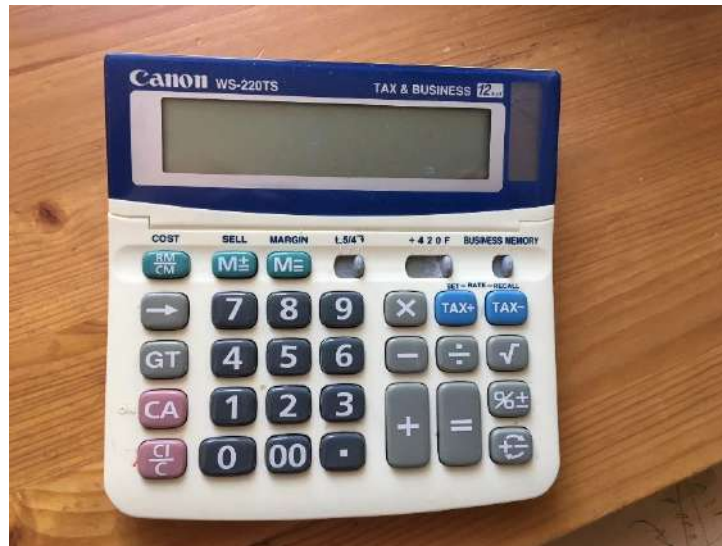
Since I mentioned hockey...



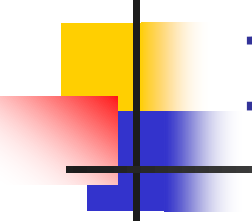


Type "yes" if...

- As a teenager, you were dreaming of becoming.....an accountant



What were you dreaming of at 16? Type in the chat...



k : a hairdresser

: pilot

rke : a doctor

: architect

: A cop

eth : Interior Decorator

: golfer

: nhl

binson : musician

ssa : A background dancer on the show "Solid Gold"

pi : engineer

Race car driver

: I can't remember :0

Dupont : FBI agent

: guitar rock star

At 16, I was dreaming of becoming

- A sailor in the navy



- Although deep down, my biggest dream was to be a Dad!



Let's do that again

- What were you dreaming of becoming at age 6?
- What are you dreaming of becoming now?



Type "glad" if...

- You are glad after all that you became an accountant



Type “yup” if...

- You know whether machine learning will replace human know how



Will machine learning replace human know-how?
Ask a CPA.



PATTISON

PATTISON





Type “the party”

- You voted for in the recent Federal election....
- Just joking, we can't talk about that...



Introduction - me

- I am a best-selling author
- But you may hate me...



CGA cases

(130 minutes)

Margo & Mandy Games Inc. (MM) is a privately owned board game developer and seller. The company was founded 13 years ago by Margo Fane and Mandy Ilkin, two childhood friends. They found that there still is a solid market for fun group games that are not electronic. The games they have developed are original, have wide fun appeal and involve participants of all ages. The company was initially funded by savings and investment from a few relatives. Margo holds the CEO position, while Mandy is in charge of new game development. The games are mostly manufactured offshore, before being shipped to the company's warehouse. The parts consist of cards, boards, timers, die, etc.

It is now January 14, 2013. You, CGA, are the audit senior working for Artwar & Co. Exhibit 1 contains some notes prepared by the partner and manager, who is currently away for three weeks. You have obtained the draft November 30, 2012 financials prepared by the bookkeeper of Webina (Exhibit 2). Exhibit 3 contains extracts from the Purchase & Sale Agreement and other information provided from the due diligence work done by MM pre-purchase in September and October 2012. You have visited the company and have started to gather information contained in Exhibit 4. The partner has asked for a draft advisory memo for the client and a memo to her on any key audit issues based on the information gathered to date.

Required:

Prepare both memos.

QUESTION 4 (25 marks) (60 minutes)

Ellen Weissman, a successful businesswoman, operates a medium sized retail business. She owns no real estate beyond her principal residence and what she requires for her business.

MANY UFE QUESTIONS - YOU MAY HAVE WRITTEN SOME...



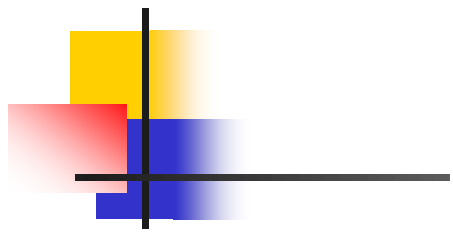
UFE prep program case

Sample simulation – 2011 2

Simulation (300 minutes)

Mike and June ~~Eosh~~ are fitness enthusiasts, with an entrepreneurial bent. They founded a Canadian wilderness tour business in 2001. The business grew slowly and was financed by its earnings. It sold for \$1.2 million in 2010, and they have enjoyed some world travel in the months following the sale. Prior to starting that venture, June was an aerobics instructor and personal trainer and Mike was a systems analyst in a large company. Both are 58 years old and they have one married adult daughter. They live in the city of Alderton, in Eastern Canada. Alderton has a population of 89,100 and the age demographics are close to the Canadian average.

It is now July 13, 2011. You, CA, work for sole practitioner Mark Jalin, that is for Mark Jalin Professional Corporation. The couple have approached you, CA, about their next business venture. Neither you or Mark were involved in advising them with respect to their previous business.



Strategic Leadership Program

Board Report

Seniors' Care Inc.

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
- 70 airlines, 100,000 pilots use



My "unpaid CFO" job....

[Home](#) | [About Us](#) | [Site Map](#) | [Newsletter](#) | [Contact Us](#)



NEW LUMBER & WOOD PRODUCTS

RECLAIMED, VINTAGE WOOD PRODUCTS

Welcome to The WoodSource

Welcome to The Wood Source, the Ottawa Valley's finest specialty lumber store and mill shop. Our organization consists of two divisions. Please click below for the division of your choice.

[FIND OUT MORE »](#)

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SUBMIT



CUSTOMER APPRECIATION DAYS

CUSTOMER APPRECIATION SALE
NOV. 19TH TO DEC. 31ST



Core 2 - Ottawa

Orientation Videos

- Homepage Tour
- Module Content Tour
- Submitting assignments and grades tour
- Oracle documents tour

Calendar

Upcoming events



Stephen
Priddle

Hi, I am your session leader for this module. I want you to be successful in this program, and want to help by teaching these sessions. I am married to a (retired) accountant and have four young adult children and one grandson. The oldest two children graduated in accounting, one of whom is a recent CPA, CA grad. In my spare time, I like spending time with family, the outdoors, playing sports including hockey, cycling and triathlons and I volunteer in the not for profit world. My formal bio is below.

Exam Preparation

- Core Module Exam Blueprint
- Core Exam Reference Schedule
- Exam Regulations
- Exam Regulations Video
- Module Exam FAQ
- Mock Exam - Case
- Task-Based Simulations

CPA Way Videos

- Introduction (5 minutes)
- Mindset (5 minutes)
- Assess the Situation (7 minutes)
- Analyze Major Issues (7 minutes)
- Conclude and Advise (7 minutes)
- Communicate in Writing (4 minutes)
- Ethical Behaviour (8 minutes)

Candidate Guidance

- Core 2 Survival Guide
- Core 2 Survival Guide Calendar
- Candidate Guide
- Administrative Changes
- Candidate Guide Addendum
- Candidate Dropbox Guide
- Peer Review Guide
- Approaching a Case Guide
- Debriefing a Case
- Harmonized Education Policies

Important

The following activity must be completed by the end of Week 1

Academic Honesty Quiz

News

Workshop Information including Time and Location

Posted Aug 12, 2016 12:11 PM

Workshop Information including Time and Location

This has been posted on the Discussion Board under the "Module Workshop Discussions" thread.

Please read the post in its entirety.

[Show All News Items](#)

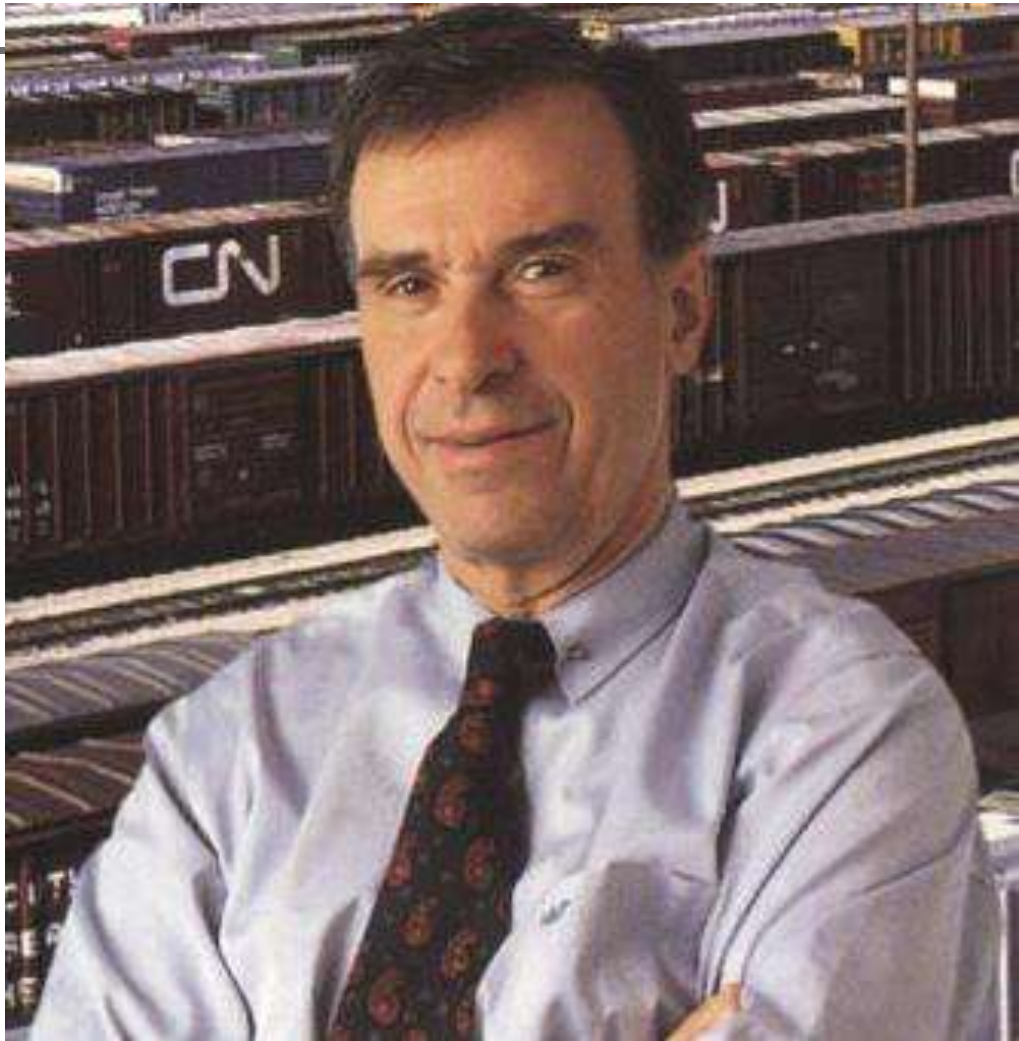
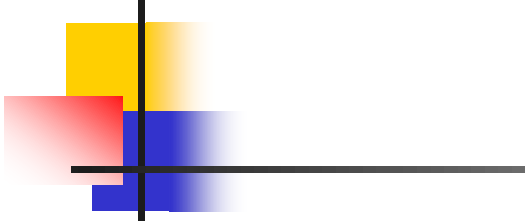
Securexam

To download the Securexam software, go to this website: <https://cpacanada.securexam.com>

- Installation Instructions
- User Guide



My Dad has reported to a guy
who later became a well-
known Quebec CEO





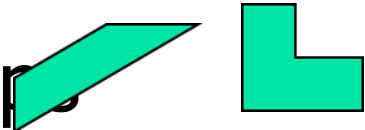


Seminar comments

- 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
- This unconventional seminar is never the same



Key points

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



How we learn

- Good judgement comes from experience
- Experience comes from bad 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



Bad judgement

- Someone once said that:
- “ a wise person learns from his/her own mistakes, but the brilliant person learns from the mistakes of others.”
- It was Einstein
- We try to tell our kids to avoid our mistakes, “get your experience cheap from me..”



Notes

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

Bench-marking – where does your finance group stand?

- First survey: finance heads/t
- Definition of finance heads
- Your prediction?
- Your org's %___ , seminar %___
- All seminars avg 6.01% (large sample)
- Local average ___%
- Use the data to your advantage..

Historic averages:

Montreal 6.42

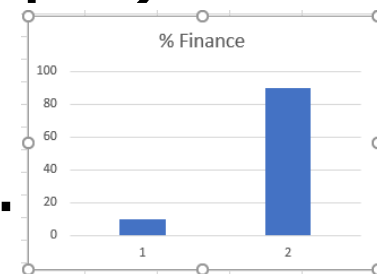
All seminars 6.01



Bench-marking – where does your finance group stand?

- First survey: finance heads/total heads
- Definition of firm
- Your prediction
- Your org's %
- All seminars avg ____% (large sample)
- Local average ____%
- Use the data to your advantage..

I have created the comparable **Human Resources** avg/benchmark in my course **Practical Brain-Storming – Top Ten Trouble Spots and other Useful Topics For Financial Leaders**





New benchmark

- Average hours of sleep per Canadian CPA
- 6.8!



Career summary

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



New CPA PD Rule 42-1

- \$48 fine for looking at work or personal emails during the session (doesn't apply during breaks!)



No yawning allowed...

No yawning allowed...





Let's talk about creativity for accountants

- For improved work problem-solving



Are you a creative accountant?



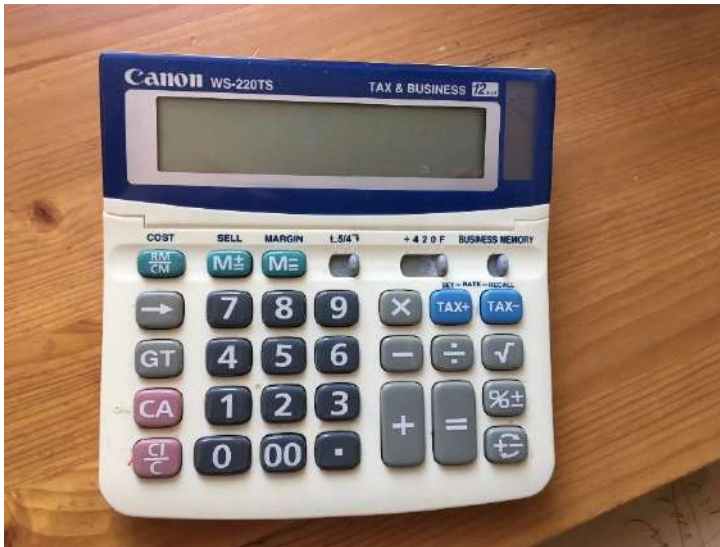


Note

- Recent McKinsey Global Survey:
- *"non-CFO executives described their CFOs as lacking an innovative approach"*
- Innovative = **creative....**

Legacy CMA advertisement

- “An accountant without creativity is just an expensive calculator”



Creative thinking tips



- You should develop outside the box or lateral thinking skills, many eg's today
- Challenge your assumptions and come at problems from different angles
- Generate better alternatives, that runners don't consider – maybe even counter-intuitive (family example)

We will alternate business and non-business examples

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



From Kristin : Give them a time out

From Hratch: ill try to understand what they are fighting for

From Angela : no kids yet ;-)

From Marco Lessard : separate them and get them to better understand what's going

From [heshma](#) : divide and conquer

From [rath](#) : comment on their fighting skill

No, tape them together!



A recent email from an attendee

- *This evening as I taped my 12 year old and 4 year old to help them get along as they are always picking on each other.*
- *What a great idea; they had to work together to set the table and the 12 year old had to be kind and actually take care of his little brother in order for him not to get hurt. Thanks for that 😊*

My best calming kids down tip is in my course **Practical Work Smarts for All**



Lawsuit example

- I am on the Advisory Board of a technology company
- The company is served with a legal action related to its technology by another company
- What should we do?



The class always responds

- Lawyer up
- Vigorously defend the company
- Counter-sue
- Try to settle out of court
- Disclose a contingent liability/record a provision for accounting



Counter-intuitive

- I said: “we want to sell the company, here is a technology company who knows about us, sell the company to them and settle the action at the same time”
- Another Board member said: “let’s buy the company, that might fit our strategy and that will deal with the action”



Another one

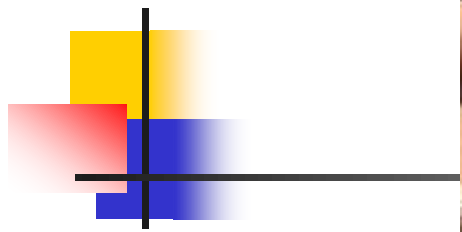
- *I had an epiphany when you were talking about purchasing a company when settling a law suit. Our company may have an opportunity to purchase a plaintiff that's been a thorn in our sides for the past 8 years and the lawyers are getting wealthy....*



Creative thinking tips

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





MARKET OFFER

Great minds think differently.

ALL NEW
Fidelity CanAm Opportunities Class

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Ask your financial advisor.

Fidelity
Investment Services

Is your education hindering you?

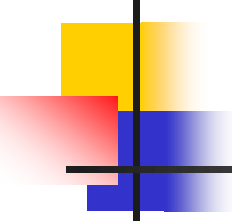
- Did you learn to get outside the box through your formal education?
- Sometimes forget your education and your experience!
- Three tax examples engineer gets good idea, office in the home, 100 year loan
- An engineer who solves engineering problems without engineers



Winter problem – Kingston, Ontario

- How to get cars/people from Wolfe Island to Kingston, in winter, cost effectively (ferry in summer), the ice freezes hard





Remember, come at the problem from different directions...

- Surface
- Above the water
- Below the water
- Avoid the problem



Engineer - intuitive

- A ferry that will break the ice..

Engineer – intuitive, in the box

- A ferry that will break the ice....



Other surface options



Get down



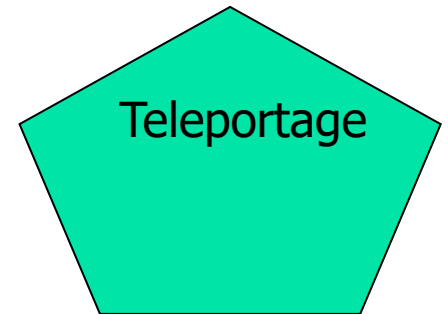
Canadian heritage



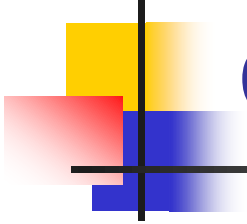
Look up



Zany ideas



You might want to ask me a
question...



Get around the problem



National Park



- Drain the river...
- Move the prisons where people work to the island
- Move the Island!

Bike?



Interesting...





Even more different slants

- Warm the river (then it won't freeze)
- Increase the flow of the water
- This is getting closer!

Winter problem – Kingston, Ontario



- You forgot to ask me a key question:
- **Steve, what is the budget?!**

- **Answer: \$60,000**

Winter problem – Kingston, Ontario





I will demonstrate this



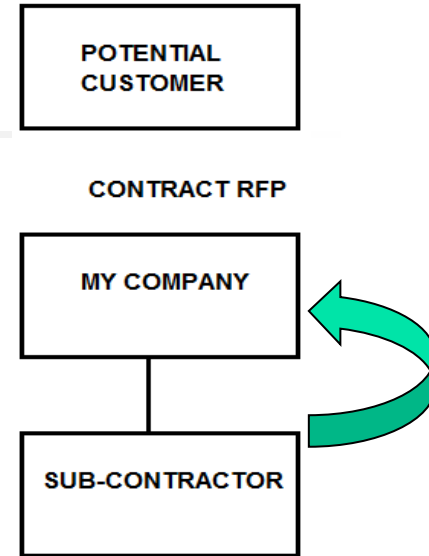
Helps your thinking



- Imagine an 84 year old high school dropout multi-millionaire businessperson – would they be more creative than you and I?
- Think about what would creative former colleagues 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 getting the sub-contractor to be the prime





Possibilities

- Change what we submit somehow
- Ask them to change the RFP
- Ask a lawyer for advice
- Bribe them!

Come at the problem from a different viewpoint



Or these solutions

- Thinner, smaller or narrower squares
- Using both sides
- Special wiping techniques
- Rough toilet paper
- Wet toilet paper
- Last's year Income Tax Act





Cost-saving example

- Question all costs creatively
- A company has found a way to save trees cut down to produce toilet paper with an outside the box, simple idea, what is it?
- There is no need for the cardboard inner roll



One disadvantage...





The advantage of this illustration

- You will remember it for the rest of your life... every time you....



Can you creatively eliminate something that is redundant?

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

A test for you

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





Possible answers

- He dries them
- He plants the seeds
- He gets financing as well
- Makes a product from leaves
- He cuts them in half
- It is because of foreign exchange
- He gets volume rebates
- He doesn't pay his suppliers
- He got a government grant
- It must be fraud or AA is his accountants
- He won a lottery
- He got an inheritance/he has other sources of income
- He invests the money and gets interest
- He makes mango juice
- Sells the crates for extra money



A new one in a webinar

12:51:04 From ___ to Everyone:

He has convinced the Liberal Govt to buy mangoes for all Canadians because mangoes will lead to a greener environment and its the right thing to do when you have a \$400B deficit.



Possible answers

- It's a baker's dozen
- He makes mango pickles or donuts
- It is the delivery charges
- It is restocking charges
- He sold the farm
- Makes a product from the seeds
- Speculating on mangos futures
- It is mandatory gratuities included
- He uses them for drug smuggling!
- He financed with a 100 year loan
- **You made an assumption, which meant you can't get the solution**
- **You focused on accounting type in the box solutions**
- **No it is a loss leader (or making tax losses), he was a billionaire before**



The prize

- Mangos, obviously...

I took one of your courses last year (I won some mango slices and am hooked) and I look forward to taking your negotiation skills course.

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? Use the microwave!



Come at the problem from different angles



- Solve the problem directly at home
- Solve the problem on the way to work
- Solve the problem at the office
- Get around the problem



Some people give me bad advice...

- “Steve, you shouldn’t have got yourself in this situation...”
- “You need to keep spare clothes at the office”
- (I later did start keeping spare clothes at the office, because of forgetfulness...)



Brain-storming

- **Solve the problem directly at home:** hair dryer, the stove, wear wife's clothes, wear roommate's clothes, steal from the neighbour's laundry line, iron them, sauna, smelly clothes but mask with aftershave
- **Solve the problem on the way to work:** drive naked with clothes out the window, turn up the heat, open the windows, open sunroof, car wash drier, bike to work, motorcycle
- **Solve the problem at the office:** tell a funny story why wet, get under the hand drier in the toilet
- **Get around the problem:** Go buy new clothes, tell your colleague or assistant to buy new clothes go to work late, call in sick, wear dirty clothes, work at home, get someone to do my work

A recent question

- Steve, How many minutes and at what setting?



**CLICK HERE IF
YOU THINK THE
INSTRUCTOR IS
CRAZY**

Problem

- A soap production process sometimes produces empty boxes, which need to be rejected cost-effectively, for refilling
- Solution: Intuitive:
- Hire someone to check the boxes
- Robot weighs each box and removes the empty boxes

Too expensive!



Problem

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



Steve, what is the budget?

\$50





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

- Cheap
- Non-toxic
- 99% less environmental impact
- Reduced need for recovery infrastructure

Airport deicing fluid runoff to be reduced with \$19 million treatment system





The creative alternative

- Can be done while loading the aircraft
- Revolutionary for the industry, a game-changer
- Patented

What is it?

- It is not a microwave!
- (They tried an infrared oven, but gave up)





What is it?

- Hint
- How does one melt ice/snow/frost?
- Heat
- How does one deliver the heat?



What is it?

Past guesses in class:

- Salt
- Urine
- Vaseline
- Beet juice
- Hair dryer
- Sound waves



Steam and blow dry!



- (doesn't anti-ice the aircraft)

Heat transfer

2 seconds where will hurt the most?

400 degrees Fahrenheit



212 degrees Fahrenheit





My job as CFO of the company

- Raise the money to take this idea to market:
- R&D, proof of concept, prototypes, trials to commercial orders
- Various kinds of fund-raising including doing Dragon's Den type presentations

In action – operational flight



Toronto Island Airport





Note

- If there is active freezing precipitation, steam the wings to clean them and then apply the regulated anti-icing fluid, still lots of savings....

Clean cold comfort

An Ottawa startup believes its 'tempered steam' de-icing system could save the air industry \$800 million a year. But first it must thaw the wallets of stingy investors



Chinook is hoping to land a deal soon with Air Canada that could potentially reduce airport delays and and the environmental consequences of using heated glycol to remove ice and snow from planes.

Aircraft de-icing solution

- It is steam
- How come no one thought of it before?

The answer:

- How come it took so long for wheels on suitcases to be used?

Point: An obvious solution, may be very powerful





Applying this at work



- Every time you come to a problem., ask yourself if you are thinking outside the box, challenging your assumptions...
- Tip: find your most creative situation and time
- Some people are more outside the box than others, but you can improve this ability

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?



Question

- Any outside the box thinking examples from you? That you have seen somewhere?



Note

- Send me an email if you get a good outside the box idea inspired at least in part from this, one day...
- All my courses have outside the box tips



Sometimes I miss the obvious!

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

Sometimes I miss the obvious!





Webinar quiz

Write your name and the answer on a blank piece of paper or in a Word document, and put #1-10



Webinar quiz

- Q1. Who is likely to be the most ethical person in the organization:
- a. The CEO
 - b. The VP Sales
 - c. The receptionist
 - d. The CFO



Finance and leadership

1. No company can be really aggressive/optimistic CEO
2. But someone must balance the aggressive/optimistic CEO and he/she must listen, for the co. to be successful- it may have to be finance
 - **Balance** means: identify & minimize risks, stress-test options, shoot down the bad ideas, keep them out of jail, etc
 - (The board also has a role in balancing)
 - (Public practice: Balance over-optimistic client)

Will it be: HR? Production?
IT? Service? R&D? Sales (definitely not)



Four case studies

1. Enron
2. Canada's fastest growing start up
3. Another former employer – a software company
4. A CEO who would listen most of the time....

CPA Speaker - Netherlands





A comment about that CEO

- "It's really sad that the man took an idea that could have been so great and ran it into the ditch because of his own ego"

The problem, about 2006, the long farm lane way



The kids waiting for the school bus freeze when it is late



A partial solution



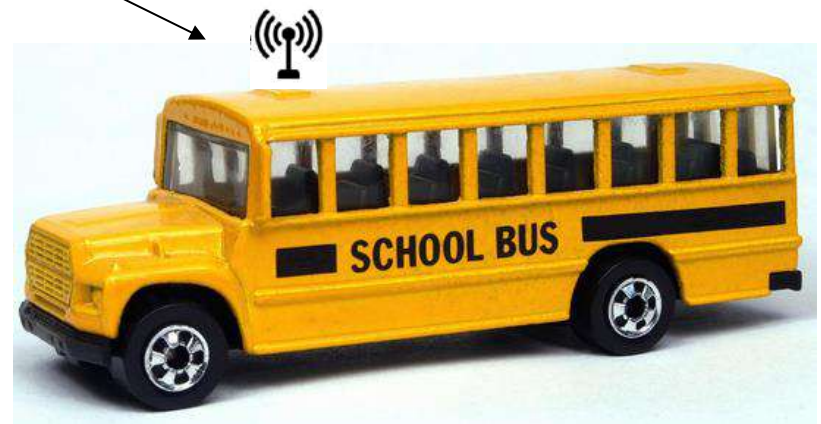
The CEO's idea

Company software: Location tracking & arrival time prediction

Transmitted to website



Parent subscriber





My response

- Ingenious idea, I would not have thought of it
- I know it will work technically
- Serious problems:
 - Installation on school buses - cost
 - Getting into customers' hands – selling it



CEO about in about 2007

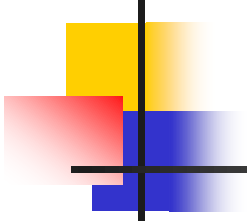
Before
Fitbits
etc

- “I have come up with a new electronic product which will make a lot of money - one of our Board members thinks it’s a great idea”

“When I exercise, I need to count my repetitions and enter them into my laptop, but it is a pain to count and enter them”

“My simple pin on the shirt device will count the rep’s and enter them on the laptop via wireless interphase”







Role (continued)

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

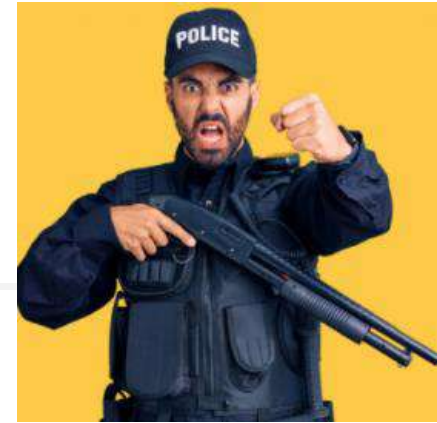
a personality disorder manifesting itself in extreme antisocial attitudes and behavior and a lack of conscience



Interesting

- My Dad has spent much of his career balancing politicians
- He was never a politician or involved in politics
- There is even a video of the deputy PM, saying what a good job he did at this

We also need to be the



- “Bad cop” of the organization
- Who is going to be that if it is not finance?
- Scenario: Customer has overdue A/R
- We should not ship
- Sales person tells the customer
- I love you, I would give you what you ask, I would ship today, **but finance won't let me!**



A general tip

- Control what happens in business, put it in writing first, don't wait for the other party to do it, slant it in your favour
- Banking examples new clause proposed, didn't wait for bank, or even write the offer
- Employment offer example I write them
- With your boss advance prepare emails to deal with situations that come up
- Even write for CRA! (example in my Negotiation course...)



Example

From: Stephen Priddle

Sent: July 23, 2020 11:19 PM

To: CEO

Subject: Solution

Francis,

I have noted that Phil and Jacqui are headed on a collision course with respect to -----.

I have drafted emails that you could send to each of them, that I believe will solve the problem completely, see below....



Banking




- Obviously we need a banker joke...
- How does banking work?
- Have you heard of the 1-3-1 model of banking?

The 1-3-1 model

- They give customers **1%** on deposits
- They lend money at **3%**
- They go golfing at **1** PM every day



Banks

- I am not big on borrowing, but....
- Remember “Banks are never there when you really need them”
- Do you have a plan for t  _____  _____? 
- Consider the non big five banks and niche foreign banks
- Facts on one of the banks



News flash

- Unethical behaviour by a Canadian CPA...



News flash

- Unethical behaviour by a Canadian CPA...against me...



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....



More

- Everything copied word for word
- Recorded by a lady overseas
- Charging about triple the normal price
- Didn't include the ethics part of this course
- I took action and...
- Should I report him?



One big five Canadian bank

- My experience with the bank
- Few bank with them
- Lots of complaints about them
- The former senior loan officer
- The CFIB survey



› thestar.com ‹

Business

to repay \$73 million after overcharging clients for 14 years


The Ontario Securities Commission alleged that short-comings in systems and controls at the  dealers resulted in some customers being overcharged.




Most crooked Enron bank!

shares slip on \$2.4B US Enron lawsuit settlement

CBC News · Posted: Aug 02, 2005 4:29 PM ET | Last Updated: December 1, 2005

Shares of  slid on Wednesday, a day after the bank agreed to pay \$2.4 billion US to settle an Enron lawsuit.

In afternoon trading, shares of  were off 7.9 per cent or \$6.30 at \$74.34. The stock opened the day at \$74.

The settlement, about \$2.9 billion Canadian, is more than the company's \$2.2 billion profit in 2004.

The lead plaintiff in the class-action suit said Tuesday's settlement is the single-biggest payment by a financial institution.

The University of California said Citigroup paid \$2 billion US and JPMorgan Chase \$2.2 billion US.



Very recent

Wells Fargo has agreed to pay \$125 million to settle a class-action lawsuit that had accused the bank of misrepresenting its exposure to U.S. residential mortgage-backed securities ahead of the financial crisis.

Investors launched the suit in 2008 alleging that the bank not only misled the market on the size of its exposure to the U.S. subprime market, but also to the volatility of the related investments.



As an employer

Worst Bank in Canada - [redacted] employee review - Indeed

Worst Bank in Canada ... I have been working at [redacted] for 2 years now and i'm yet to find a single person who is happy working for this financial institution, ...



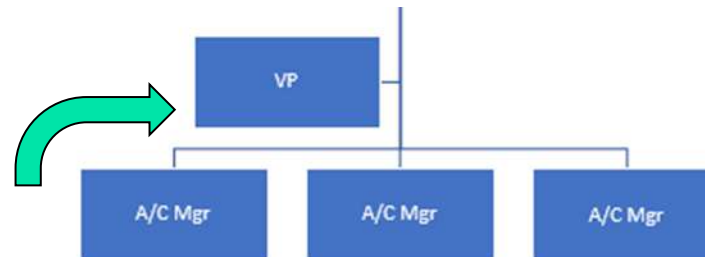
Finally

- The CA Magazine survey
- But I won't tell you the full name of the bank..



Relationships

- If borrowing, the key is a good account manager, who understands and believes in your business
- Suppose you don't like yours? Ask for a new one (but you may make enemy...)
- Get to know their boss, likely a VP





Ideas

- Present shareholder remuneration, discretionary spending, 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



Normal presentation

Data Systems All Incorporated	
Projections - Income Statement	
Year ending December 31, 2023	
Service revenues	\$ 12,234,023
Direct operational costs	8,345,201
Marketing & sales costs	1,441,458
Research & development costs	464,251
General & administrative costs	1,042,510
Interest expense	59,422
Amortization expense	89,442
	<u>11,442,284</u>
Net income before taxes	791,739
Income taxes	170,224
Net income after taxes	<u>\$ 621,515</u>



Alternate presentation

Data Systems All Incorporated	
Projections - Income Statement	
Year ending December 31, 2023	
Service revenues	\$ 12,234,023
Direct operational costs	8,345,201
Marketing & sales costs	1,441,458
Research & development costs	464,251
General & administrative costs	1,042,510
Interest expense	59,422
Amortization expense	89,442
	<u>11,442,284</u>
Net income before shareholder remuneration & taxes	1,736,739
Shareholder remuneration	<u>945,000</u>
Net income before taxes	<u>\$ 791,739</u>



Another idea

Bigdig Inc.	
Projections - Income Statement	
Year ending December 31, 2023	(millions)
Sales	\$ 66,451
Cost of goods sold	<u>41,997</u>
	<u>24,454</u>
Committed costs (note 1)	6,582
Employee costs	8,465
Discretionary spending (note 2)	3,415
Amortization expense	<u>648</u>
	<u>19,110</u>
Net income before taxes	<u><u>\$ 5,344</u></u>



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 hang you with your own noose (covenants)
 - (You should develop credibility with banks)
 - Present your projections in ways that put the best foot forward
 - Include a management analysis of results with your monthly reports – even though not required





If you bank debt/facilities

- You likely have to submit the following monthly
 1. Financials
 2. Covenant calc's & compliance certificate
 3. Margining calculations



What everybody does

Chris Halw

Account Manager

Grand Bank of Canada

Dear Chris,

June 23, 2022

You will find attached our:

1. May 31, 2022 financial statements
2. May 31, 2022 covenant calculations and compliance certificate
3. May 31, 2022 margining calculations for the line of credit

Yours sincerely,

Customer, CPA



What I do

Chris Halw

Account Manager

Grand Bank of Canada

Dear Chris,

June 23, 2022

You will find attached our:

1. May 31, 2022 financial statements
2. May 31, 2022 covenant calculations and compliance certificate
3. May 31, 2022 margining calculations for the line of credit
4. **Management's discussion of May 2022 results and Outlook for the rest of the year**

Yours sincerely,

Customer, CPA

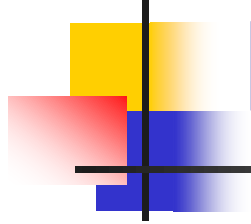
If you are really big, have a half day meeting with the bank quarterly....

Banking

- Immediately share new important business developments, good or bad (They don't like surprises, they are constantly checking on you)
- Invite bankers to special events, which make the company look good
- Suggest they come to your organization and present seminars on: personal banking and investments to your employees
- Have them attend Board meetings (as an observer)??!!!



Banks – maximizing what you have





Did you know this?



- Your line of credit may have a bubble, that is the ability of the bank to lend you more than the stated amount, 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 10% bubble, 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, with monthly margin calc
- 75% of good A/R $\$1M \times 75\% = \$750K$
- 50% of inventory, $\$500K \times 50\% = \$250K$
- Less: Statutory prior claims \$100K
- You can borrow: \$900K



Maximizing margin

- If you need to maximize the margin calculation:
 1. Report margin calc early if higher than prior month, at the end of the month if lower
 2. Ensure you minimize statutory deductions
 3. Clean the subledger, before calculating

More margining tips in my **Sharpen Your Business Loan Negotiation Skills**

Margining receivables & inventory

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

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

- At the end of May, it is:

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

- You submit it at 7 AM June 1!

Margining receivables & inventory

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

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

- At the end of May, it is:

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

- You submit as late as possible, June 30

I taught this in one seminar,
and a CPA said

Your approach is
unethical...



I taught this in one seminar, and a CPA said

Your approach is unethical...
what I do to increase my margin is include on my list receivables that have already been collected...





The seminar the guy offers

- **Crooked Tips for Controllers & CFOs**
 - How to cheat your bank, employees, suppliers, customers, shareholders and CRA
 - How to find crooked accountants to work for you and manage them when they can't be trusted
 - Valuable tips that have been tested in the business world, I've done time for some of them
 - Every tip in the seminar breaks a law, guaranteed, but I will teach you how not to get caught

Margining receivables & inventory

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

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

- Then you call the bank and ask permission for margining immediately, before May 31
- Also, try to get a seasonal increase in margin calculations, I have heard of 66 2/3% on inventory, instead of 50%



Banks - negotiating

- Ask about the loan approval steps and local limits so you can position the co better
- Use multiple banks, consider a beauty contest or ask why your bank can't match other bank's deals
- A corporate guarantee alternative in some situations – a comfort letter

D₂O



Anotherg option

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

Is it a capital or an operating dog lease?



Conclusions

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

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

Banker reviewed!



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...**



New course, if tight cash,

- **Practical Tips to Get Through a Cash Crisis**
- 2 hour video course with CPA Quebec

PRIDDLE FAMILY BOOKS

Dec 31, 19

ASSETS

Current Assets

Chequing/Savings

Cash grouping

Bank of Montreal Canadian

Bank of Montreal US Dollar

Cash on hand

Cash-foreign currency

Cash on hand - Other

Total Cash on hand

Simpli Chequing

Simplii Ints. Plus Saving acct.

TD- Yen Priddle

TD saving-Stephen

Cash grouping - Other



Type "real" if...

- You are a real accountant... at home
- A double entry system and the books balance...

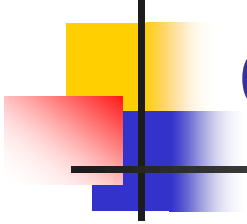


Type the name if...

- You know who invented double entry accounting

No googling!

Or the country, or the
century...





Past guesses

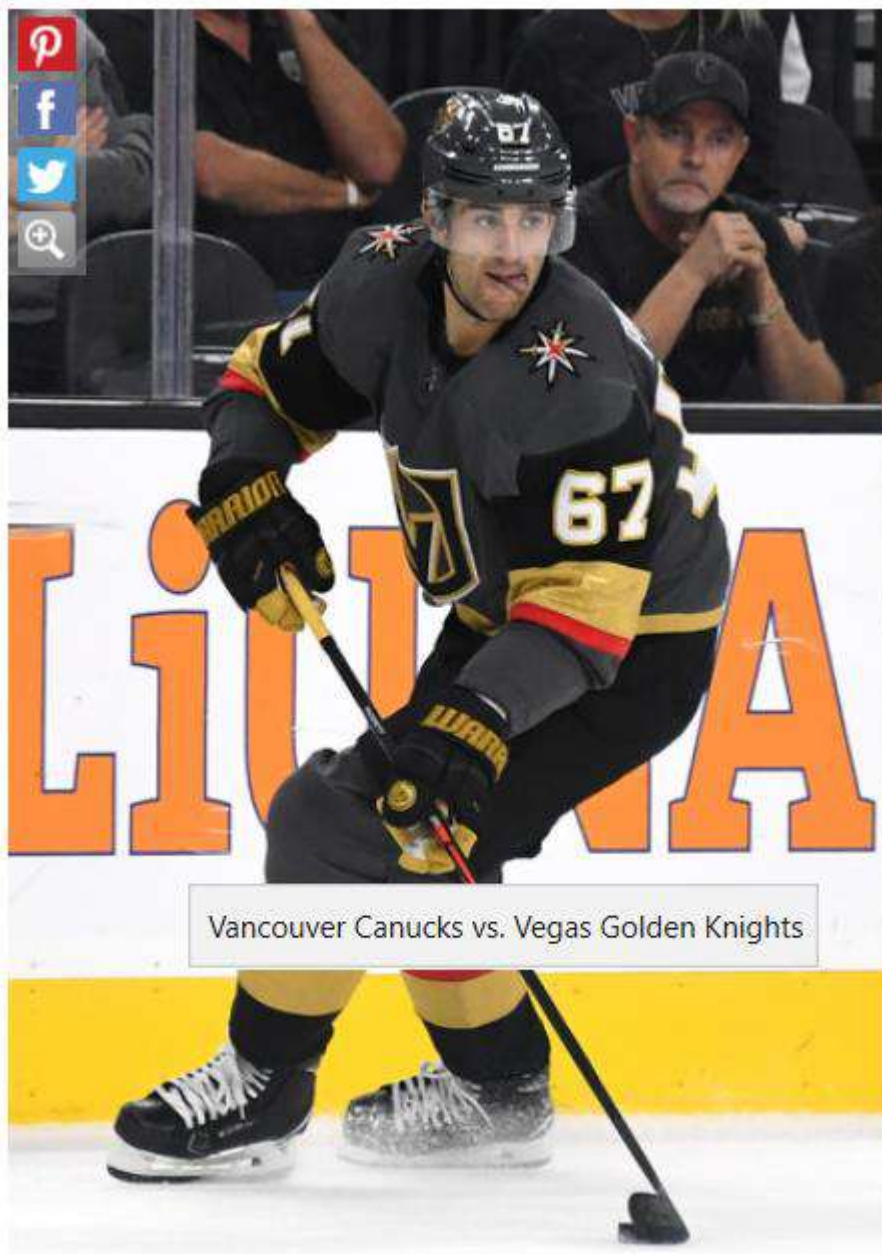
From Marc: the Romans

From Daniel: A dog

From Vincent: Copericus

From fscuc: The Romans invented bookkeping

From Juan: a woman



Luca de Pacioli c. 1447– 1517 Venice





Financial reporting

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



Financial reporting tips

- Bad financial reports = vomit from the system
- You want better reports for your users for decision-making
- Not just #s, always provide insightful narrative analysis with decision -oriented comments
- Give the data, the target, the interpretation, the prediction, the action (data should be actionable)
- The hierarchy: the data → information → knowledge → wisdom



Example – data

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



Example – data and wisdom

- **Division revenues were \$44.33M in the month, pre-tax income \$1.02M** attached are the financials. *This is the lowest sales since April 2009, and fell \$847K short of budget and I forecast a \$1.69M shortfall for the entire fiscal year. The primary reason was the failure to get a contract with Zd Inc. I have noted a pattern in the last six months, that if J200 don't sell, neither do K120s, see analysis below. I believe this means management must make a decision on whether to build another batch of K120s, due to this fact and the price increase for the debolator component, which was just announced, which reduces the standard product margin from 37% to 21%.*



Example – data

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



Example – data and wisdom

Toiletries			
Monthly sales highlights			
	<u>October</u>	<u>Monthly avg</u>	<u>YTD</u>
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	<u>458,486</u>	<u>472,370</u>	<u>4,719,509</u>
<u>Notes:</u>			
We noted that a regional Walmart special flier promo & sale dropped shampoo sales about 21% in the month versus YTD trend			



Another example

- CPA mentions correlating weather and revenue & results for businesses
- An electricity generating utility was mentioned
- Would also work with snack outlets



Financial reporting improvements

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



Why are they not looking at your reports?

- Bad manager with bad habits
- Too busy
- They don't understand them, but are too embarrassed to ask
- They are not that useful



Options

- Ask them if they are looking at it (response may not be true)
- Stop providing them and see if there are any complaints
- Slip something crazy in a report to see if they notice



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

\$22,321.13 Las Vegas Trip (Smith)
October 11-13

Example

- VP, Operations is sent to the “whiteboard”





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 profitability differently

- A multi-column internal income statement
- Maybe just the top 10

	Cally Corp											
	Quarter ended June 30, 2022											
	Profit by customer											
	Revo Corp	Numcell Inc	Walkdo LLP	Power Valley	Seadooper	Luxem Corp	Arkman Inc.	Stule Corp	YLL Inc.	Gando Corp	All other	Total
Revenue	\$5,312,323	\$4,850,151	\$4,428,188	\$4,042,935	\$3,691,200	\$3,765,024	\$3,437,467	\$3,138,407	\$2,865,366	\$2,616,079	\$3,451,582	\$ 41,598,722
Cost of sales	2,231,176	2,037,063	1,859,839	1,698,033	1,550,304	1,581,310	1,443,736	2,228,269	1,203,454	1,098,753	1,449,664	21,631,336
Shipping	26,774	24,445	22,318	20,376	18,604	18,976	17,325	26,739	14,441	13,185	17,396	259,576
Warranty	212,493	500	177,128		147,648	33	137,499			104,643	138,063	1,663,949
Giveaways	26,562	24,251	22,141	20,000	18,456	18,825	440,000	15,692	14,327	13,080	103,547	207,994
Direct sales travel	84,997	77,602	70,851	64,687	59,059	60,240	54,999	50,215	45,846	41,857	55,225	665,580
Site visits (tech)	212,493	194,006	531,383	161,717	22,147	150,601	137,499	125,536	114,615	44	2,209	26,623
Rep commissions	106,246	97,003	88,564	80,859	73,824	75,300	68,749	62,768	57,307	52,322	69,032	831,974
Commissions	265,616	40,322	221,409	202,147	184,560	188,251	171,873	156,920	143,268	230,452	172,579	2,079,936
Discounts	175,307	160,055	146,130	48,542	121,810	124,246	113,436	103,567	94,557	86,331	113,902	1,372,758
	3,341,664	2,655,247	3,139,762	2,296,361	2,196,412	2,217,783	2,585,117	2,769,707	1,687,815	1,640,667	2,121,618	28,739,725
Customer profit	\$1,970,659	\$2,194,904	\$1,288,426	\$1,746,574	\$1,494,788	\$1,547,241	\$ 852,350	\$ 368,700	\$1,177,551	\$ 975,412	\$1,329,964	\$ 12,858,997
	37.1%	45.3%	29.1%	43.2%	40.5%	41.1%	24.8%	11.7%	41.1%	37.3%	38.5%	30.9%



Report profitability differently

- The traditional ways to roll up profit
- Report profitability differently, egs
- By customer By truck By engineering skill By sales channel By market selling to By mine pit By product (SKU)
- By source of lead By sports apparel brand
- By salesperson By colour
- By postal code By season By customer gender By animal (pet food)! By supplier
- Any ideas from you? _____



Also think of insightful measures of “profit per”

- Profit per hour in retail
- Profit per shift (pulp & paper)
- Per flight
- Per direct labour hour
- Can you think of any more?



Note

- Push colleagues/your team to think about different ways to report
- This reporting could be straight from a revised G/L or extractions from the G/L with manipulations...



New reporting and accuracy

- You have a good idea for reporting profit by something new, 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.....I would say try it
- At least roll up revenues if you can't roll up full results

Financial reporting wisdom

- Consider different cost roll ups, e.g.
- Separate warranty categories Cost of getting sales Cost of errors Unplanned costs



Don't just explain the past

- Predict the future
- 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 risky

- Consider what you do, is it forward or backward looking, forward is more valuable



High level – private businesses

- Consider an 8-10 key number summary of your organization situation and results for the Board/owner that tell the big picture
- Not just numbers from the G/L!
- 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

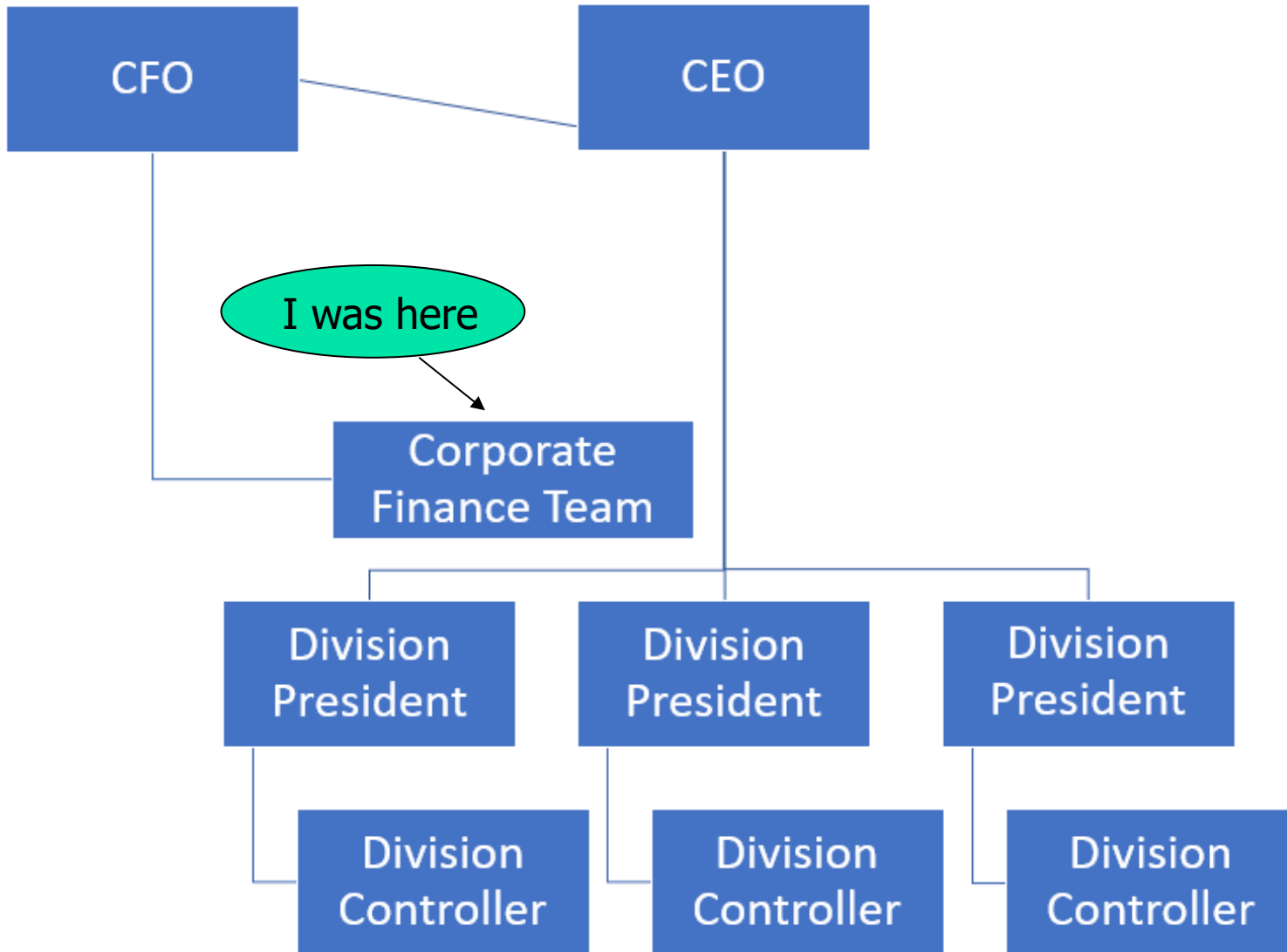
- DC standards, if there are advantages

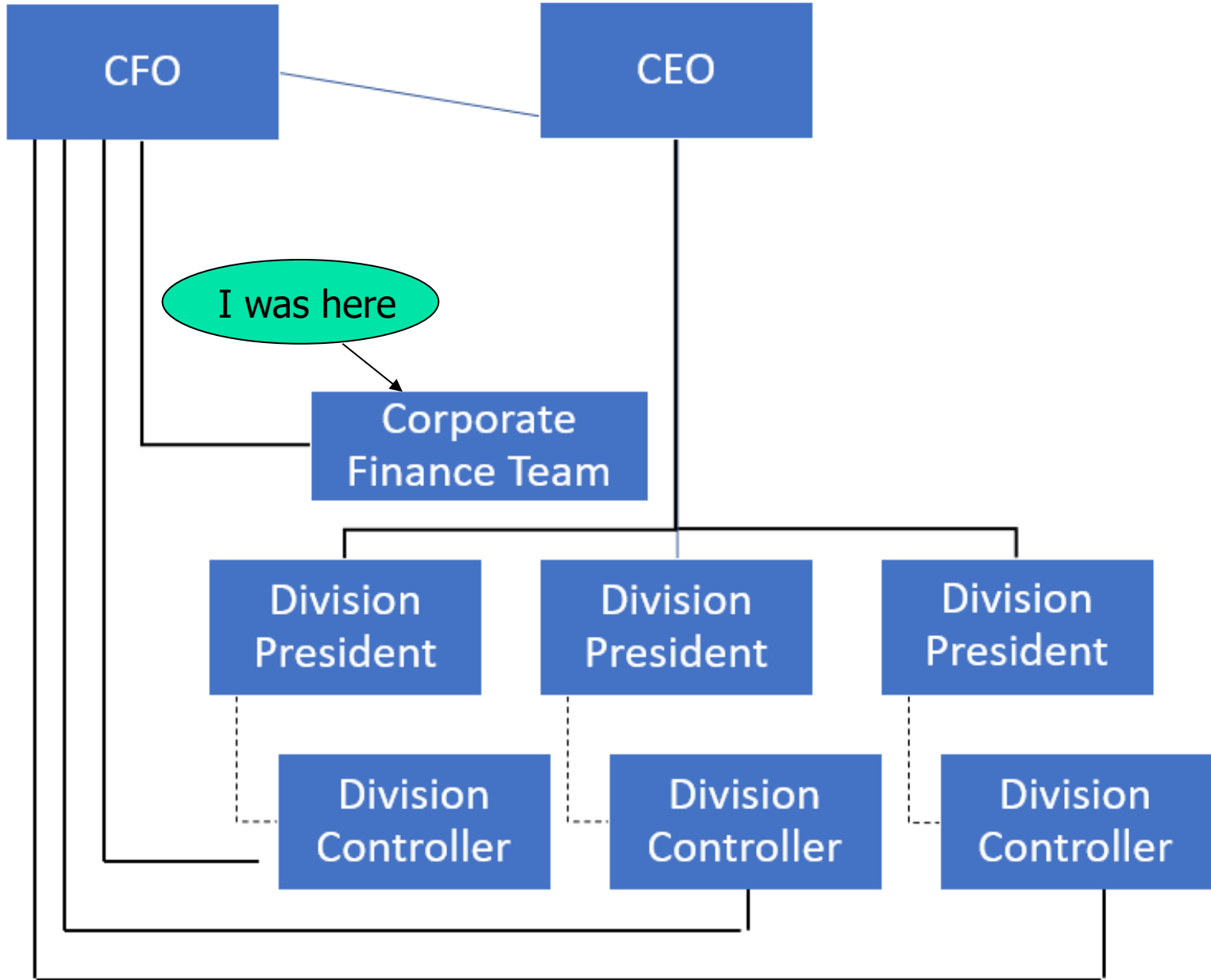




Financial reporting - other

- Don't forget early adoption of new accounting standards, if there are advantages
- Who should divisional finance staff report to?
- Direct to head office, so finance is one team working together, not direct to divisional operating heads (dotted line to them)







Financial reporting

- Improved internal reporting is covered with in my course **Practical Tips to Improve Your Internal Financial Reporting**
- A 1.5 hour video 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



Risparmio sui costi - generale

- Devi essere un _____
- Un famoso autore ha scritto: "Un cinico conosce il costo di tutto tranne il ____ di niente"
- Buone idee per risparmiare sui costi ti faranno sembrare buono e potrebbero coprire il tuo _____

Cost-saving - general



- You need to be a cheap-skate
- A famous author wrote: " A cynic knows the cost of everything but the value of nothing"
- Good cost saving ideas will make you look good and help justify your annual salary increase

Property cost reduction ideas

- Sub-let any extra space
- Exit lease by negotiating an exit clause or assigning the lease
- Watch for inadmissible costs in op cost charges (net lease)
- Find a building with an environmental issue
- Reduce your property taxes by appealing
- Switch to VoiceOverInternetProtocol (VoIP) phones





Cost-saving

- Consider out-sourcing, everything is on the table (except your core competence)
- Maybe you need to in-source
- Should you send processing work offshore?
- In class % _
- Some conclusions 75% didn't really work, 25% works OK after a while when if managed carefully
- Don't send your problems offshore!



Then we out-source everything else

- Design of the product
- Manufacturing of the product
- Warehousing
- Shipping
- IT
- Facilities
- HR
- Software development
- Marketing



Then we out-source everything else

- Tech support
- Service
- R&D
- Website
- Payroll
- Oh yes, and finance



Note

- This is the extreme approach, to stretch our minds
- I have worked for organizations that out-sourced many of the functions, but not all of them at once



I have outsourced these

- Design of the product
- Manufacturing of the product
- Warehousing
- Shipping
- IT support
- Facilities
- HR
- Software development
- Tech support
- Service
- R&D
- Website
- Payroll



Typically 75%

- It didn't work
- Customers and suppliers were unhappy
- There were serious communications issues
- They could find the unreconciled items, but don't understand our business, so they couldn't help much
- High error rate
- We had to re-shore back to Canada!



Some recent examples:

09:29:04 From Nick to Everyone:

India accounts payable terrible

09:29:04 From Angela to Everyone:

Costa Rica AP/AR, terrible. The function comes back to Canada

| 09:28:51 From Leo to Everyone:

India, Expense Report Review/Processing, worked ok

09:29:02 From Farheen to Everyone:

Manilla AP, accounting. terrible at first but needed managing. now works ok



Let me know by email

- Country – Type of work - results

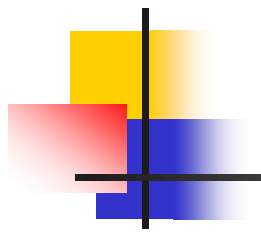


A CPA told me

- “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....”



JAMES





And

- The offshoring was a disaster...



Major international corp

- Email to us from Operations Dept about moving payables offshore:
- *"despite being in place for a second year, the "new" outsourced SAP system has yet to deliver the promised "efficiencies" as many billing problems remain to be sorted. They expect another 12 to 18 months before everything is ironed out."*
- My translation: "The offshore payments project has been a catastrophe. We are hoping that after 36-40 months, it might start working OK"



The 25%

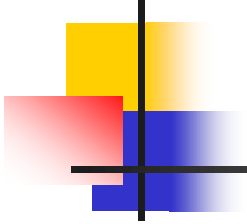
- After a while, when managed carefully, and kept very simple and routine, it worked well and saved us money



Questions

- Is offshoring wrong? I don't think so
(unless country becomes hostile)
- Is higher level analysis going offshore,
if AI doesn't do the work? Maybe
- Is your senior job going offshore? I
think not
- (Canada is the cheap location for
Bermuda remote CFOs!)

Systems funnies with lessons...



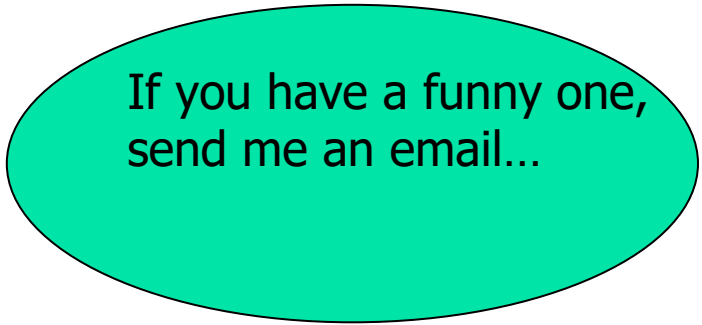


What does SAP stand for?

Officially: **S**ystems, **A**pplications **P**roducts

Unofficially:

- **S**atan's **A**ccounting **P**ackage
- **S**uicide **A**ssistance **P**ackage
- **S**end **A**nother **P**ayment
- **S**ucks **A**t **P**roducing
- **S**top **A**ll **P**roduction
- **S**tart **A**dding **P**eople
- **S**low **A**nd **P**ainful
- **S**ystems **A**gainst **P**eople



If you have a funny one,
send me an email...



Recently

- A CPA watching the video of this course, sent me this note, after sending the previous slide to their boss



Recently

- A CPA watching the video of this course, sent me this note, after sending the previous slide to their boss

We are on SAP since 2017 – quite recent as we are STILL resolving issues. I sent him a text with this screen shot of this slide from your seminar.

His response is: **Sadly Accurate Presentation.**



In my in-class version of this course

- I hand out out a paper survey form
- It includes what accounting system do you use
- I get some funny answers including

- Nature of business/organization Heavy
- Ownership if applicable (public, family etc.): Sub of Foreign
- Approximate headcount: 50
- Position title: Controller
- Years of experience as an accountant
- Accounting system Terrible
- Most pressing issues at work Time
- Have you ever worked for an organization with tasks off-shore? Yes No
- Do you consider you a boring accountant?



Clerks and junior staff

- Check what your clerks do by doing it (you or a subordinate) or sitting beside them
- Why: Bond with them, tell them why they do things, fix problems, check if they are doing all required procedures, are they doing redundant stuff, can the work be automated or offshored? do they have the tools they need? do they work a full day?
- And just for me I make so many errors, the clerks enjoy it and feel better....



There are lots of gov't programs that may help

- Key is job creation/maintenance or the environment
- How they usually work
- Problems if your plans change
- Other small print restrictions



There are lots of gov't programs that may help

- Think about politics before applying
- If it is large, the politicians will be involved...



Cost reduction via SRED

- SRED = *Scientific Research Experimental Development*
- Cash refundable/or tax credits for experimental development/ technological advancement/new or improved materials, devices, products, or processes, or improve existing ones
- 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
- *Biochemical research and experimentation into advanced bonding methods of wood particulates under diverse conditions*



SRED

- You are interested, where do you start?
- You may be able to finance it
- E-mail me 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



Cost-saving

- Buy major items when? Quarter end of public co's having a bad quarter
- Find a university prof who would be intrigued to solve your technical problem cheaply



Possibilities

- Pay them based on % of \$ generated (savings, refunds)
- Suppose: 3 week review of elec costs at a 20% fee and they find \$20? \$200,000
Conclusion: both good
- Therefore a win-win, unless you get fired or they disrupt you too much
versus the return!



Cost-saving consultants

- Squeeze the area first, don't leave any low-hanging fruit
- Some areas they may be able to help you: customs duty, freight, 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
- Others you can think of?

Contractual tips



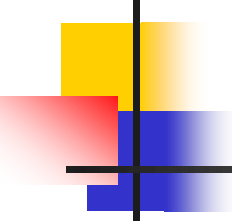
1. Contract must clearly measure the savings
 2. Consultant must be required to explain how the savings are achieved (to educate you)
 3. Time limit the period of the review
 4. Get them to tell you about exposures (tax)
 5. Bargain down the % they want to charge (ask for a cap or even switch to hourly)
 5. Time limit the payback period, if any
 6. Protect co. from sleazy consultants and have the final say on tax filings
- Finally: hire them if they are good!



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

This half day seminar 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



New course, tight cash,
impacts or other

- **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

- Everyone do 50 pushups
- Choose between body and finger pushups...





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







Interesting

- CPA Quebec, 45,000 members and students, **14 disciplinary notices**, Jan 1-May 22, 2020 .031%
- Law Society of Upper Canada, about 50,000 members, **181 disciplinary notices**, Jan 1-May 22, 2020 .362%
- 11.6 more times conduct/ethical issues!



Note

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

How do you know these are lawyers?



Guess what is on the label of this brush? (you can win it)





Warning: This side up

**Adult supervision
required**

Not a horse brush

**This product contains chemicals known to the
State of California to cause cancer**

**WARNING:
Not for use in toilets**

Made in China

Not for kitchen use

**DO NOT FLUSH DOWN
THE TOILET**

**Warning: Clean before
using**

BATTERIES NOT INCLUDED

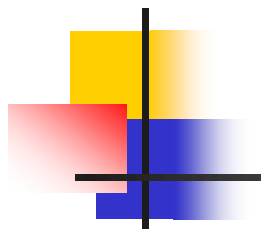
Warning: Slippery when wet

Not for cleaning your back end

Not edible

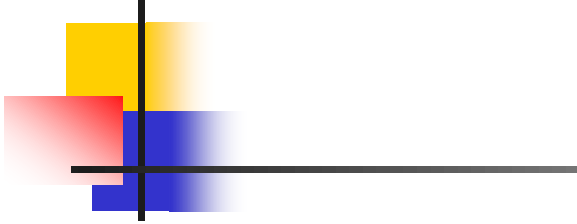
Warning: not a Q-tip





NOT FOR ORAL USE







Another example

- We bought a backyard swimming pool when our oldest grandchild visited a few years ago, for the first time...
- **What was on the warning label???**

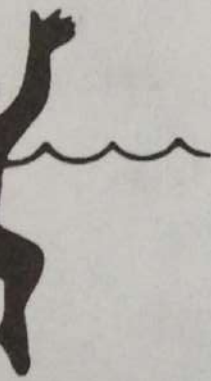




Not the funniest ones..

- For adult use only
- Pregnant women should consult a doctor before using
- May contain nuts
- Don't over fill
- May cause motion sickness
- Younger children should stay in the shallow end..
- Use of life jackets is compulsory

WARNING



DOWNING

all times.
ent access
use.

NO DIVING / JUMPING!

Shallow water - You can
be permanently injured.

Drowning Risk:
Keep unsupervised children from
stalling fencing or
pool. State or local
approved barriers.
setting up pool.

Do not leave toys in
and similar items near
Position furniture (f
and so that children
pool.

After using pool, remove

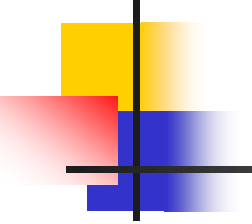
Diving Risk:

Do not dive into the pool
in a broken neck,

Electrocution Risk:

Keep all electrical

are at



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

The exemption clause



- By seeing this slide, participants in this seminar waive all rights of action against the seminar leader and the sponsoring organization for **microwave oven** failure to dry clothes sufficiently in time sensitive situations, and all liability related to the use of **microwave ovens** for the drying of clothes, including fire, explosion, damage to clothes, homes and indirect and consequential damages, loss of life, income or property.



Lawyers and legal fees

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



A recent example

- We need to sign a lease with a major Canadian airport
- Their risk averse lawyers want our Board of Directors to approve the lease!
- (I have done \$100s of millions of business without Board approvals of agreements, over the years)
- The lease is for \$29/year!



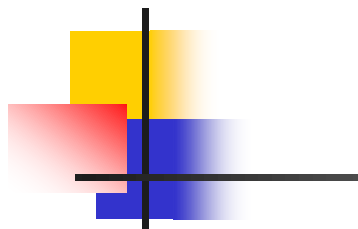
A recent example

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- (I have done \$100s of millions of business without Board approvals of agreements, over the years)
- The lease is for \$29/year!

Communicating through lawyers

- Lawyers shouldn't be running your business! This is the tail wagging the dog! CEO/owner/you run the business
- Take charge in many situations and communicate directly, but not all..
- Exceptions: wrong words causes problems/reduce emotion
- You decide how many _____ come to the meeting/sit in on the call





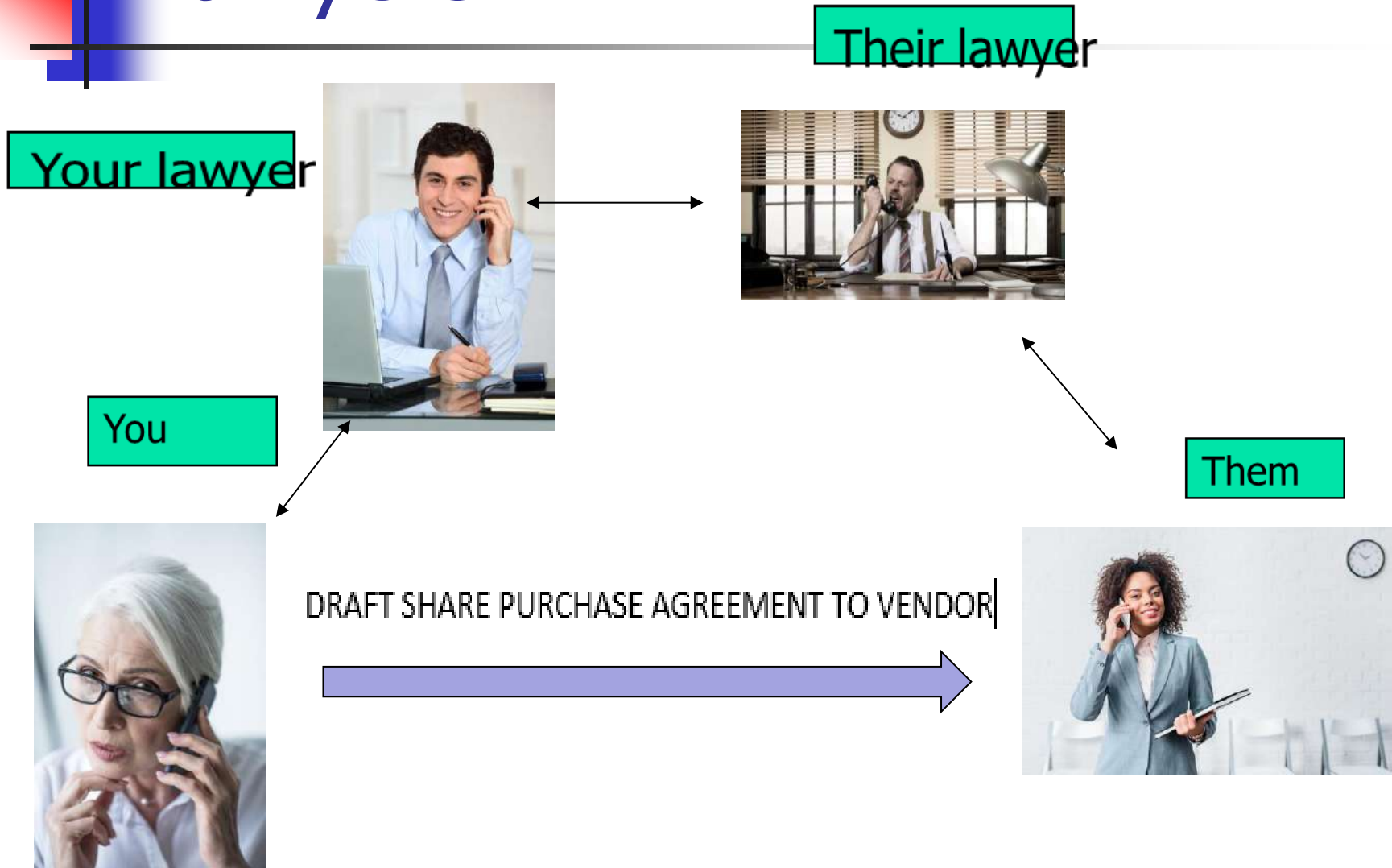
“What you do you mean, tell your lawyer to call my lawyer - you are my lawyer!”



Examples of not communicating through lawyers

- The company purchase
- The debt settlement

Communicating through lawyers



Communicating through lawyers

- Lawyers shouldn't be running your business! This is the tail wagging the dog! CEO/owner/you run the business
- Take charge in many situations and communicate directly, but not all..
- Exceptions: wrong words causes problems/reduce emotion
- You decide how many lawyers come to the meeting/sit in on the call





Lawyers - more

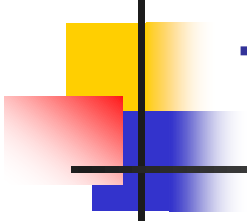
- Don't let them draft contracts, you do
- Use templates, where to get:
- findlegalforms.com
- lawdepot.ca & other sites
- Real contracts: <https://contracts.oneclic.com>
- Contract clauses: lawinsider.com
- Draft in English, the lawyer can translate into legalese, if you can't
- When should legal be involved in review?
Based on risk 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!

I am afraid I have to bill you
for that work...





INVOICE

Stephen Priddle, CPA, CA, CMA
UNLICENSED PARALEGAL
Ottawa, Ontario
K2E 7H3

One person said,
can I return my
prize to pay this bill!

BILL TO

INVOICE #
INVOICE DATE

101112

March 25, 2022

DESCRIPTION	AMOUNT
Document re-write using legal terminology	190.00
Subtotal	190.00
HST 13.0%	24.70
TOTAL	\$ 214.70

Writer's block tips

- Stuck, everyone can talk
- Write what comes to mind fast and insert (come back reminders) if you don't know what to write and keep moving



On pig we will have completed the project. I believe it will provide us a critical understanding of the pig process, and the cost will be less than pig. The project manager will be Frances or pig, depending on who is selected by the CEO.



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 right or they have even read the document
- You may need to re-write what the lawyer drafted
- Often their version is: too threatening, too long, not comprehensible, will cause problems with the other party
- Example shorten MBO share subscription agreement (a lawyer could not bring themselves to make anything short and one page!)



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..

Leo,

I will be calling you in 20 minutes to discuss the attached PDF file that contains full information about our dispute with BZ Limited. I want to decide on a course of action today.

- 1. A chronology by time and date of all events and documents**
- 2. The Customer agreement**
- 3. The 2019 April 14 amendment**
- 4. The standard warranty agreement**
- 5. The customers 2 complaint emails**
- 6. Our 3 response emails**
- 7. Our technician's report**
- 8. The independent technician's report**
- 9. The letter from their lawyer**
- 10. Our draft response for your review**
- 11. Summary of our service manager's opinion**



More ways to reduce legals

- Summarize dates/facts/documents/opinions so they don't
- Get fee estimates/budgets
- Get a detailed bill so you can audit it
- Ask for a regular docket (WIP) to monitor spending
- Don't pay fees for their mistakes!
- Request a junior lawyer for some work

Another lawyer joke



Secretary work



- Who is looking after your minute book?
- Bring it in-house now
- There are many things you can do
- Take the minutes yourself
- Report changes in directors
- You can run the share/options
- /warrants ledger & prepare share cert's
(private co)
- Others things you can do

My best strategic minutes tip is in my **Practical Work Solutions** from **Case Discussions** course



Final thoughts

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



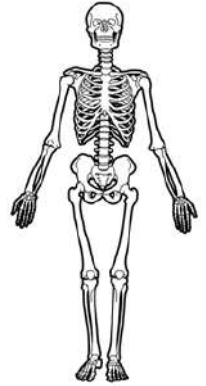


Reflection

- This seminar has big and small tips to save you cash and to help you at work
- There are some tips that could lead to business direction changing tips
- More bigger picture/strategic tips are in my **Practical Work Smarts for All** and **Practical Work Solutions from Case Discussions** 2 hour webinars



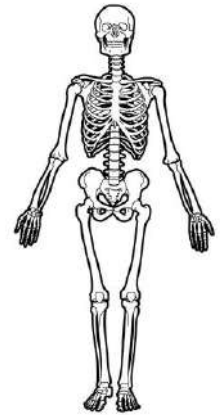
You have just been hired



- My thesis:
 1. Every senior finance job that you might take may well have skeletons in the closet (business and personal)
 2. You have a few week's grace & then all the problems/blame are yours
 3. You need to find out all the things that could burn you later, during this period
- (Also good when you acquire a business)



Skeletons



- Accounting skeletons
- Income and commodity tax skeletons
- System skeletons
- Inventory skeletons
- Financing skeletons
- Tax skeletons
- Internal control skeletons
- HR skeletons
- Environmental skeletons
- Legal skeletons
- Payroll skeletons
- And more...



Skeletons are pretty well guaranteed if your predecessor...

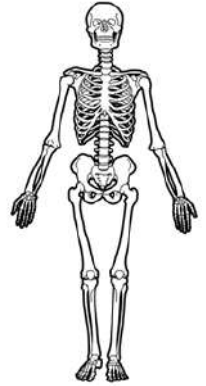
- Got fired
- Quit suddenly, to take a new job
- Was incompetent
- Was unaudited
- Was over 70
- Missed their skeletons or gave up on handling them
- Was doing a fraud
- Was hiding things from ____
- Was unethical
- Got hit by a bus...
- Was the 4th person in the position in two years!
- Wasn't a CPA
- Got arrested and is in jail...

Scenario



- Newly hired CFO I knew
- Skeleton in the closet is week bank internal controls and there is an on-going fraud with significant thefts
- No problem if he/the bank/someone finds the weakness & fraud in the first weeks on the job
- Huge problem if he doesn't
- He doesn't find it, fraud blows up 2 years later – he is **fired!**.....
- Point: you gotta find all the skeletons quickly!

You have just been hired



- My thesis:
 1. Every senior finance job that you might take may well have skeletons in the closet (business and personal)
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- (Also good when you acquire a business)



SECTION 3856
financial instruments

Skeleton examples



- 650K preferred shares issued for \$2 per share and reported as \$1.3M shares in the BS, but are redeemable /retractable for \$10 per share (articles filed with the government!)(me)
- Purchase accounting not applied (Section 1582) – historic acquisition (me)
- Company files tax returns as CCPC for 20 years – it wasn't a CCPC!
- Company overbilled government customer \$2M over many years, just found out
- Negative \$ and units in inventory (me)
- Percentage completion accounting all wrong, major revenue reversals needed
- All leases accounted for wrong (me)



More examples

- Deferred revenue had not changed for years
- Various skeletons in inactive subs of company (public co, me)
- All kinds of taxable benefits not taxed
- Owner taking unrecorded dollars out of company
- Never filed US tax returns, should have
- Accountant had not depreciated assets



More examples

- Deferred revenue had not changed for years
- Various skeletons in inactive subs of company (public co, me)
- All kinds of taxable benefits not taxed
- Owner taking unrecorded dollars out of company
- Never filed US tax returns, should have
- Accountant had not depreciated assets

An MBA!



Note

- There often skeletons, but likely few/none if:
 - Your predecessor moved internally
 - Your predecessor retired, after long service, and chose their retirement date



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: send me an email, spriddle@bell.net

From Gabrielle : last tax return

From Nina Maisuradze : segregation of duty and controls


From Hratch.Gurunlian : audit report

From Angela : I spent a day with the accountant who handled the bank transactions and reconciliations and went through all their tasks to double check controls

From JAE PAN : cash ledger



The new job

- Understand the corporate culture & strategy
- Find out the drives and motivations of the key players
- Consider performance versus industry
- Pull the credit reports (do it annually to fix them)

- (Above, ideally done before taking the job!)
- Fully understand the operations side



Note

- I told you I do the ethical due diligence on a possible employer
- After more than one employer had tighter cash when I joined, that they didn't disclose in the job interview, I do a financial due diligence on potential employers
- This can include asking for financials or pulling a credit report



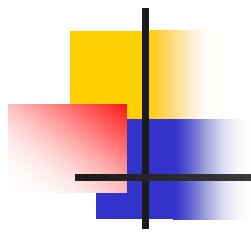
The new job

- Do a SWOT analysis (Strengths and Weaknesses of the organization, Opportunities & Threats in the environment)
- Take your peers out for lunch (chat with their right hand person), find out finance pain points
- Also your talk to your predecessor
- Hold an immediate _____ when you start

The new job

- Do a SWOT analysis (Strengths, Weaknesses of the organization, Opportunities & Threats in the environment)
- Take your peers out for lunch (find out their right hand person), find out finance paint points
- Also talk to your predecessor
- Hold an immediate inventory count when you start





**IF YOU PRESS THIS BUTTON
THE SESSION GETS CANCELLED**



Special family business tips

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



The new job



Some others:

- Take the plant/remote office/warehouse/mine/lab etc tour
- Look at your team's past appraisals & grievance, & quickly assess their capabilities and find the weak links
- Review key contracts with financial institutions/customers/suppliers
- Read past audit letters and prior adjustments (booked and unbooked)
- Look at the budgets and forecasts



Nfopd tedc

Income statement
Year ending
December 31

2022

2021

2020

2019

2018

-
- Study trended financials
 - c2gbaddadfagsdg
 - Ifkdfidodld,
 - Dkd'ascld
 - Afgadsfasdf
 - Krkero03—cvi
 - 9ake3l;234;234



The last slide

- You didn't have a stroke
- That slide was not "legalese"
- I was just checking if you are awake



The new job

Income statement
Year ending
December 31

2022

2021

2020

2019

2018

- Study trended financials (5 years plus)
- Do systems and internal control walk-throughs
- Review past tax returns and planning & audits and assessments
- Read board and committee minutes
- Talk to board members, the lawyer, the audit partner, key advisors
- Do an insurance and filings review

The new job



Some different angles:

- Review predecessor's email account, trash cans and shredder
- Do a vacation analysis
- Conduct a parking lot review
- Open all the financial mail for a while
- Review manual journal entries



DR CR



Manual journal entries reveal...

- Working outside the system
- Lack of automation
- Error corrections
- Funny stuff
- Fraud???

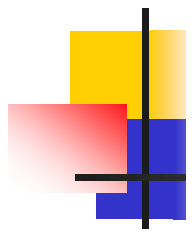
The new job

More different angles:

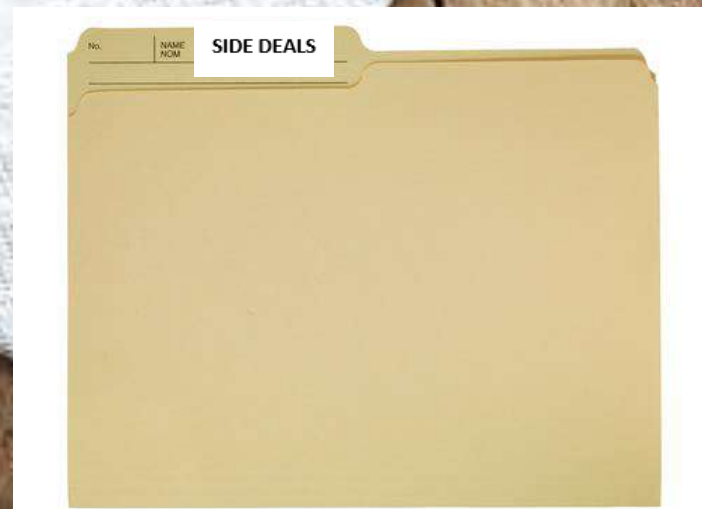
- Sign all/approval all checks/wires for a while
- Talk to some mouthy, opinionated, long serving, disgruntled employees, not just in finance, especially the receptionists
- Find the secret file!

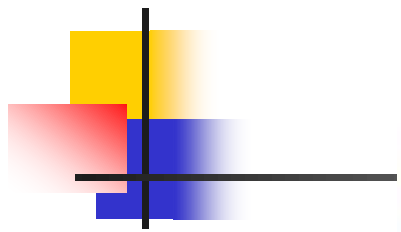


Bonus tip: talk to the cleaners....

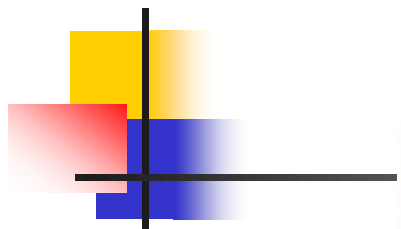


- *I promise to drop next year's price 15% if you order more than six units this year*





List of fictitious
entries



Do not show to CRA

Always check the....



Always check the....

- Overdue filings
- Clerk's "I don't know what do with this file"
- A rant about your new boss from your predecessor
- The suicide note written by the prior CFO





More secret files

- An off-book executive pension plan
- A bribe file
- A secret inventory location
- A fraudulent invoice file
- Secret file on black-listed former employees, suppliers, etc
- Unpaid bills of a company acquired
- A folder of cheques being held
- The lease bargain purchase option file, each made the operating leases, capital leases! (me)



More secret files

- An off-book executive pension plan
- A bribe file
- A secret inventory location
- A fraudulent invoice file
- Secret file on black-listed former employees, suppliers, etc
- Unpaid bills of a company acquired
- A folder of checks being held
- The lease bargain purchase option file, each made the operating leases, capital leases! (me)



Your new staff

- Find out all skeletons now from your team

Your first staff meeting – a skit

- Offer an amnesty
- Could be via anonymous note or rewarded
- Ask for a five year detailed G/L dump
- Be careful how you present this

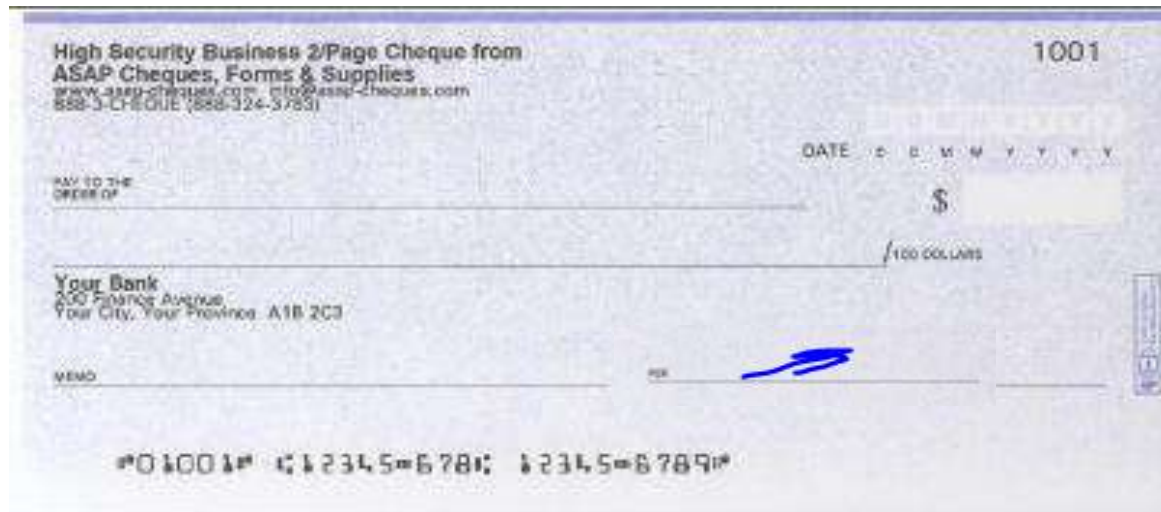


Ask for a five year detailed G/L dump

- (You don't need to do anything with it!)
- Who looks scared?
- It puts pressure on some people
- They will assume you are very detailed and plan to go back years
- Someone may confess something....
- Can the system produce it?

My first day at work story after staff meeting

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





Note

- Sometimes the skeleton in the closet is toxic people dynamics in your team or elsewhere, impacting your job
- Maybe no one will tell you quickly, but it will be a big issue
- My best tip is the more people talk, the more likely you will find out...
- But you may not want to interrogate people



My I



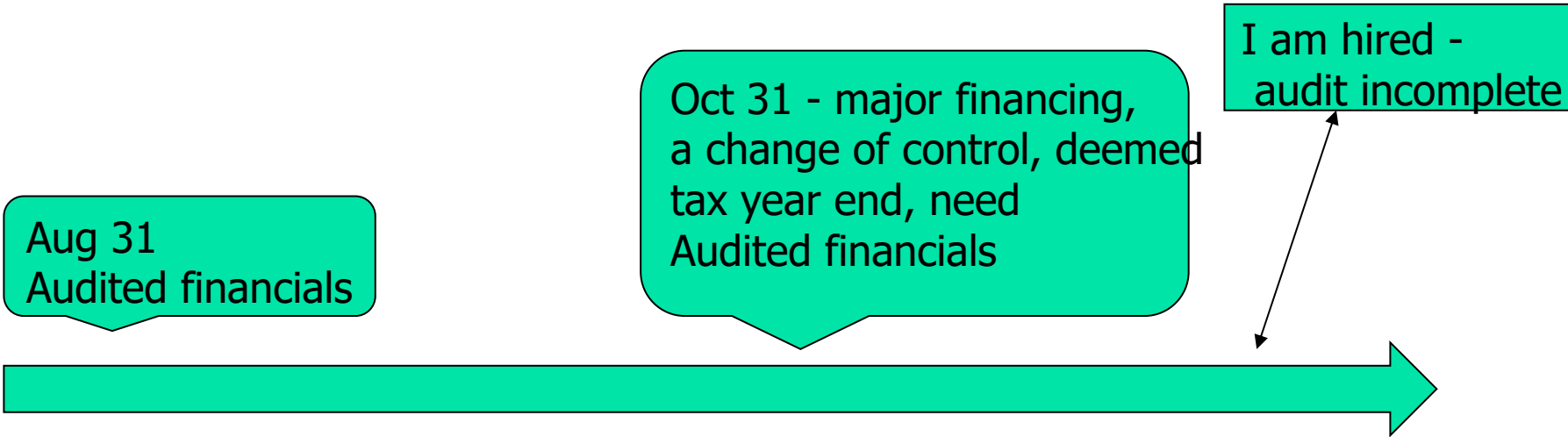
tin



- One guarantee way to find all financial reporting skeletons and ensure no future write downs, write-offs, reversals, restatement
- Nail/tear down/deep dive the balance sheet (trial balance level) when you start, what is there and not there
- Remember to deal with the process issue behind the symptom



Timeline of my story



Aug 31
Audited financials

Oct 31 - major financing,
a change of control, deemed
tax year end, need
Audited financials

I am hired -
audit incomplete

Software Company Inc.
Statement of Loss & Deficit
Two months ended October 31

	Two months ended October 31 <u>2010</u>	Year ended August 31 <u>2010</u>
Software sales	\$ (342,152)	\$ 3,400,160
Cost of sales	(42,458)	367,580
Gross profit	<u>(299,694)</u>	<u>3,032,580</u>
<u>Expenses</u>		
Marketing	247,586	648,722
Administration	287,452	1,121,415
Research & Development	278,522	897,725
Interest	3,026	34,563
Amortization of property, plant & equipment	12,452	64,852



If there is an extreme mess

- Confirm accounts payable with all suppliers
- Ask for tax audits!
- Engage your auditors/accountants for special work in bad areas, prior to the audit



Skeletons

- Examples from you? (current or past job, or as auditor)
- Some skeletons may be positive, good to find them
- Suppose you are not the CFO? Most of this applies, discuss with boss in advance



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 skeletons/secret files when you took your current job?
- Don't leave them in your closet!
- Prepare a takeover binder for your successor
- Also consider one for your new boss



Bonus personal tip

- Companies sometimes abuse employees
- A way to get some leverage, visibility, rev...
- Only works for some private companies
- Try to get at least one share in the private the company you work for

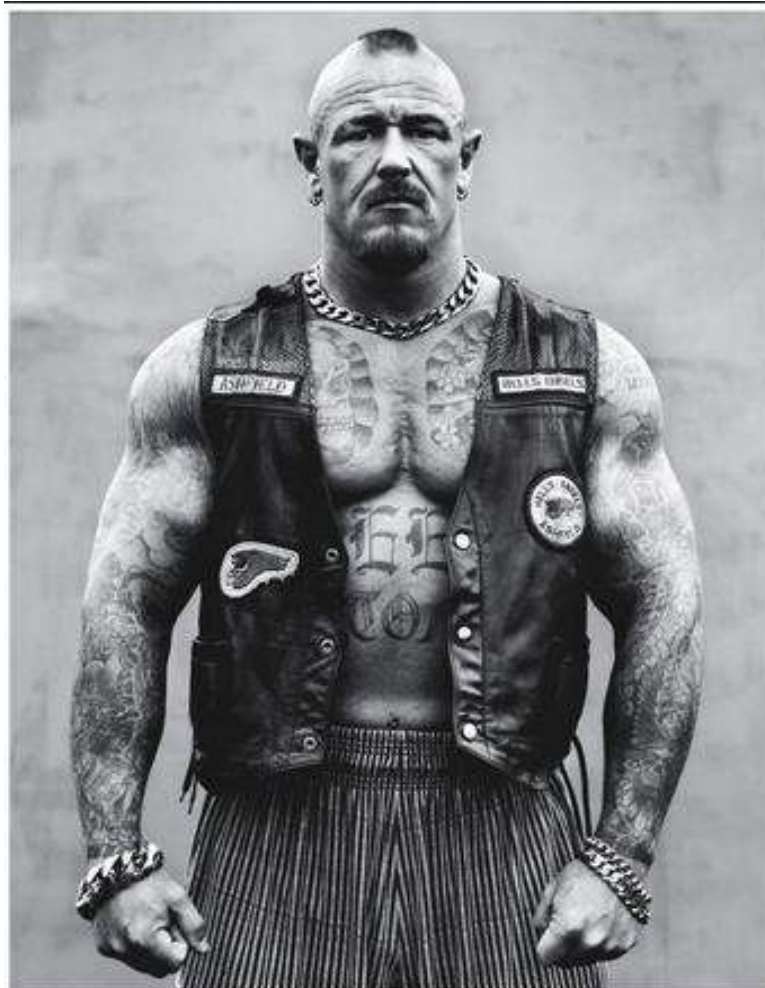


Why?

- Stop them from dropping the audit
- Approve new share classes ahead of you
- Get an invite to the AGM and vote, or send a proxy
- Get the financials every year
- Call a special shareholders' meeting if you want
- Ask to see the shareholders' ledger
- You have rights to examine certain records
- Receive dividends
- Have legal minority rights protection
- How did I learn this?
- How to get one? Ask or exercise a stock option



Your proxy, your nephew Christopher





SHARE EXCHANGE

For sale

	<u># shares</u>	<u>Price</u>	<u>Notes</u>
Rena B	7,000	\$ 1.85	need vacation \$
Sahib L	5,500	\$ 1.85	basement reno
Jock A	<u>4,500</u>	\$ 1.85	
	<u>17,000</u>		

For purchase

Agnes K	10,000	\$ 1.75	accumulating
Barry B	<u>6,000</u>	\$ 1.72	
	<u>16,000</u>		

Shares for employees



- Having employees own shares is motivational
- An employee-owned company looks good
- What about liquidity?
- Set up an internal share exchange or offer share buybacks
- But don't give shares to employees unless you can claw them back if they leave, or at least they sign a POA that the company can vote them



Stories

- The controversial shareholder's meeting
- I meet my crooked former CEO again at the company's AGM, because I... once took about \$10,000 in salary as shares



Auditors and Accountants



What color is my horse?



Brown, on this side...



From: Stephen Priddle

Sent: September 8, 2020 3:46 PM

To: Tax manager

Subject: Tax opinion

Daphne

Can we have a phone call to discuss my draft, rough tax opinion below

Stephen Priddle

Fact situation

39 year old employee (profession – engineer) will be posted to (country) for three years, with spouse and 3 children under 18. Spouse will not be working. Employee will rent out Canadian home and not close bank accounts, memberships, etc. The employee will return to Canada at least once a year. The employer will pay the rent for a residence in the other Canada

Draft Tax opinion

In my opinion bases on the above stated facts:

1. The employee will continue to be a resident of Canada for Canadian tax purposes, as a continuing state of relationship is kept with Canada due residence, bank accounts, memberships etc.
2. The employee will file his tax return under province?
3. The employee qualifies for the Overseas Employment Tax credit as|???
4. The Canadian tax treatment for the residence paid for by the foreign subsidiary will pay for
5. The impact of the Tax Treaty on this situation will be _____

Stephen Priddle CFO

MY FORMAT

Note 2 - Accounting principles

Not acceptable

Property, plant & equipment is recorded at cost and presented in the financial statements net of accumulated amortization. Amortization has been provided over the estimated useful life of property, plant & equipment using the rates and methods set out below:

Furniture & equipment	5 years straight-line
Computers, office equipment	30% declining balance
Software	30% declining balance

MANDATORY FORMAT

Note 2 - Accounting principles

You must underline

Property, plant & equipment is recorded at cost and presented in the financial statements net of accumulated amortization. Amortization has been provided over the estimated useful life of property, plant & equipment using the rates and methods set out below:

Furniture & equipment	5 years straight-line
Computers, office equipment	30% declining balance
Software	30% declining balance



Someone else's Big Four battle!

HIS FORMAT


Note 2 - Accounting principles

Property, plant & equipment is recorded at cost and presented in the financial statements net of accumulated amortization. Amortization has been provided over the estimated useful life of property, plant & equipment using the rates and methods set out below:

BIG 4 MANDATORY FORMAT

Note 2 - Accounting principles

Property, plant & equipment is recorded at cost and presented in the financial statements net of accumulated amortization. Amortization has been provided over the estimated useful life of property, plant & equipment using the rates and methods set out below:



Auditors/accountants

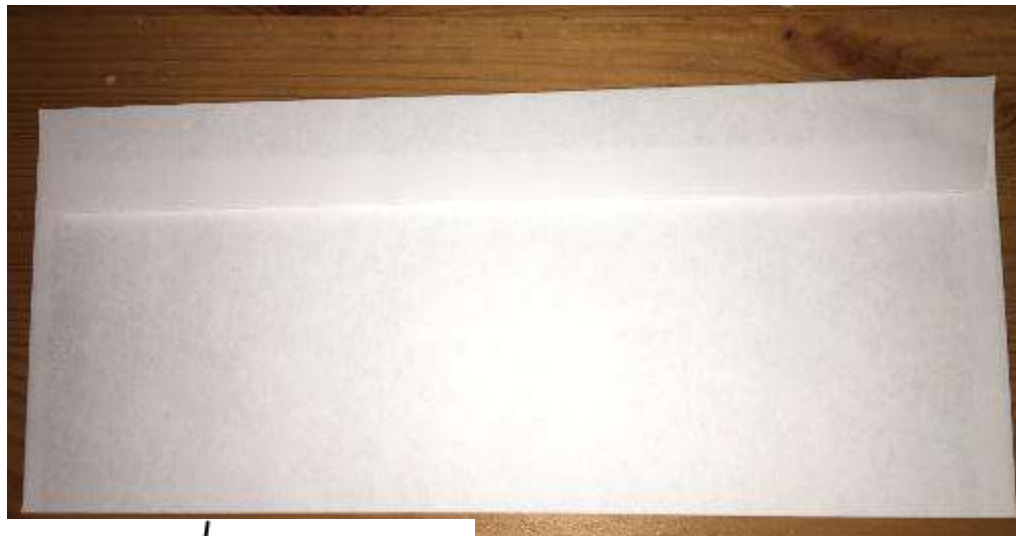


Reduce fees and get more from them:

- Compare value between firms
- Use audit timing to your advantage
- Get freebies - push them to promote your business with referrals
- Draft tax opinions yourself and then get blessed
- Have them review tax returns you prepare
- Control the f/s preparation process
- Do the audit yourself!
- Challenge their approach

Customers
Board members
Financing
Lawyers
Employees

Play jokes on auditors

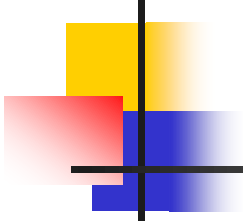


O	X	O
O	O	X
X		

The retained earnings count!



- Do you have any to share?



Find employees with
expensive clothes because this
helps us assess fraud...



Technology

We had a confused and disorganized order processing department. Someone said solve the problem by installing a new order processing system!

Valuable advice:

- “Don’t throw technology at a problem if you don’t know what you are doing in the first place”
- Another way of saying it: “Don’t give the fool, the tool”



Some useful technology tips

- Record meetings on cell phone
- Get voicemail to email
- Use google alerts
- Leverage voice to text
- Use waybackmachine: web.archive.org





Applications

- Alert on competitor announcements
- Alert on suppliers
- Alert on overdue customers
- Alert on potential acquirors/acquirees
- Alert on house you are thinking of buying
- Alert on your favourite _____
- Alert on your name

Courses and absorbing on the go

Narrator

Narrator is a screen reader



Practical PD offers popular seminars that have been attended by nearly 10,000 accountants, CFOs, and controllers. The tips and topics are geared toward controllers, CFOs, accounting managers, as well as clients. The seminars are held in corporations, owner-managed businesses, and public accountants and those in

Select all

Print

Read aloud



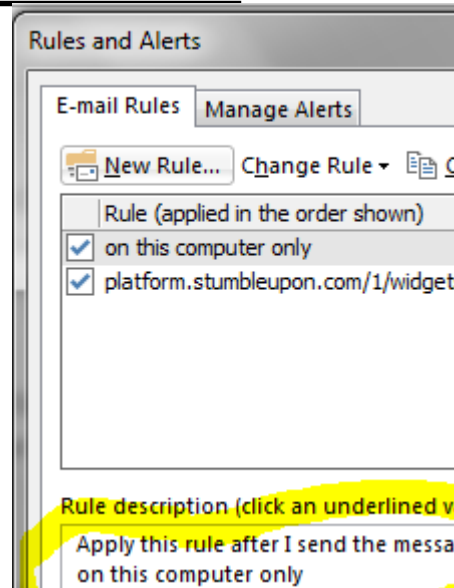
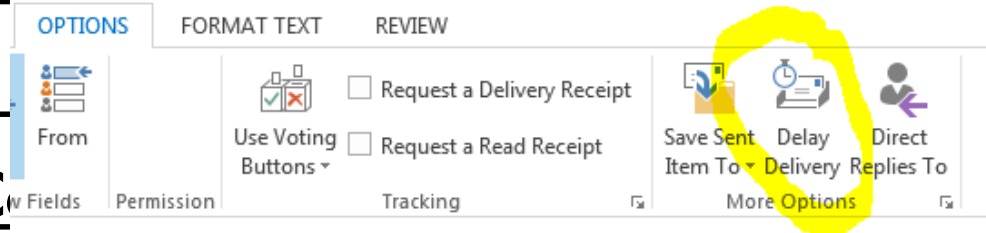


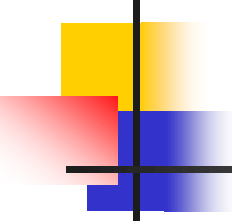
Delay delivery

- Don't have to remind self to send on Thursday
- Sounds stupid if I send it today
- Set it to go out right after that meeting
- They are cranky Friday PM, so I will release it Monday afternoon
- Etc

Some useful technology tips

- Use email delay delivery
- Delay all emails
- Get a wireless c
- Use mouse with non-dominant hand
- Get a vertical mouse





Prize time, the first person to type "vertical mouse" in the chat wins one!

- **If your camera is on, or you turn it on fast...**



Past winners...

Are your right
or left-handed?

I'm really enjoying it, and it's causing quite the stir in the office.

By the way - I really love my vertical mouse! It's a game changer 😊 Thanks again for that!

*Kind regards,
Julie*

I had never seen a vertical mouse before today. When you mentioned that it is more ergonomically correct, to test, I rotated my right hand while holding the mouse and realized that I had a bit of discomfort that immediately went away.

you were the one who sent me a new ergonomic mouse. A big thank you! I use it all the time.

Oh and I forgot to mention a huge thank you!!!!!!!!!!!!!!!!!!!!

I am in my second week with my new "vertical" mouse and my shoulder has fallen back into its proper place and I have no arm or wrist extension issues – who knew that this tip would be the number one take away from the course for me!!! LOL!

Some like the ergonomic split keyboard....





Note

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



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 join user forum for your system
- Purchase enough user licenses for your new system, but not too many..

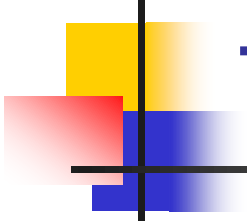
CODE 99!

Bonus tip

- Use a standing desk, gives choice
- May help your back
- Burns some calories and improves posture
- Keeps you awake
- May help you think better
- Employer must provide one for all office workers in Denmark! (up and down choice)

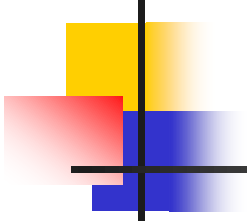


What do you do when
travelling?





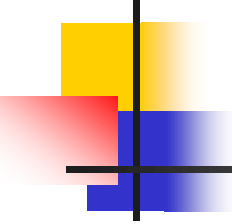
You have to get outside the
box and build one with
whatever is available!





Conversions

- Converting to a new system – the data transfer issue
- A short case study
- Not the textbook method, but it works!
- Enter the closing numbers from the old system in the new system, no historic data carry forward
- Saves all kinds of historic data transfer/time/cost/ integrity & other issues, and leaves the “mess” behind!



This company apparently used this approach....

- \$39B revenues, \$5.6B profit
- \$1.1 trillion assets under manage
- 35,000 employees



Conversions

- How to look at the historic numbers?
- Look in the old system
- The only things you should import are names,
& addresses of suppliers, customers
- Cut cheques for opening A/P in old system
- (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....

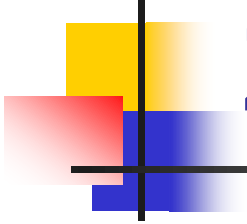


Board of Directors

- Get them on-side prior to the meeting on your critical proposal
- Do you give the board direct access to senior employees?

I am not saying this is great from an accountability perspective....
- An advisory board for a family owned CO.
- Send ALL the material out in advance, as long as they will read it...!

This was in the news in
2020...





Michelle Douglas said WE Charity's board of directors "always understood that speakers were not paid" to appear at WE Day events and that she would have been "surprised" to learn members of Prime Minister Justin Trudeau's family had been paid thousands of dollars to speak at such events. 1:09

She also said she left because the board of directors was being denied access to WE Charity's chief financial officer. Meetings with the CFO were set and then cancelled, she said, making it impossible for the board to determine if the job cuts were financially justified.

So she resigned...



News and Announcements

Announcing the Acquisition of Valydate

- Today we would like to announce the acquisition of Valydate™ Inc., an Ottawa-based provider of schematic validation solutions. The Valydate VERA technology provides enterprise design teams proven schematic review analysis technology, helping designers identify errors before committing to a PCB design.

Mentor brings a broader and deeper engineering infrastructure, enabling expanded product development on VERA. While we provide deeper integration with Mentor's Xpedition Enterprise flow, we will preserve integrations with all other design flows (as exhibited by previous acquisitions of HyperLynx and Valor technology).



A Siemens Business

Michael Alam, Valydate BSD Canada



INSIDE SILICON FOREST

- About Mike Rogoway
- Email Mike Rogoway
- Follow @rogoway

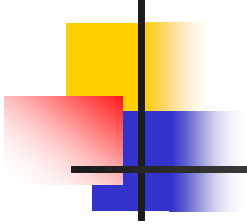
MOST READ

Jive's buyer responds to employee anxiety



For kids if any in the house

One of our sons likes Teddy
Bears



This is the little one







M&A

Sometimes we read about two businesses merging



Dan Kononoff (left) and Dan Buhler recently announced the merger of Clearbridge Business Solutions and unetworks, including with a YouTube video.

Two competing Abbotsford IT companies announce merger

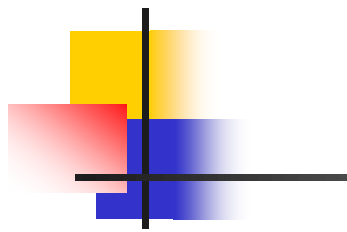
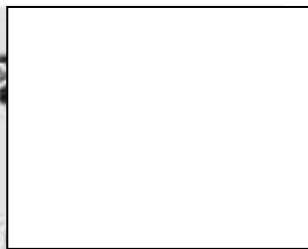
Clearbridge and unetworks join forces as Clearbridge Business Solutions

Dec. 3, 2020 12:00 a.m. / BUSINESS

Did I say "merger?"
I meant "acquisition."



Search





Or another one

- Facebook has announced a merger with Youtube and Twitter
- They are going to call the combined business YouTwitFace



M&A – watchouts

- Acquisitions for the wrong reasons
- Poor due diligence – skeletons missed
- Difficulty financing or paying too much
- Don't underestimate culture issues
- Don't be afraid to recommend no!



Particularly public companies

S&P Global

**“
Post-M&A
acquirer
returns have
underperformed
peers in
general
”**



We buy a company in the UK

Consideration

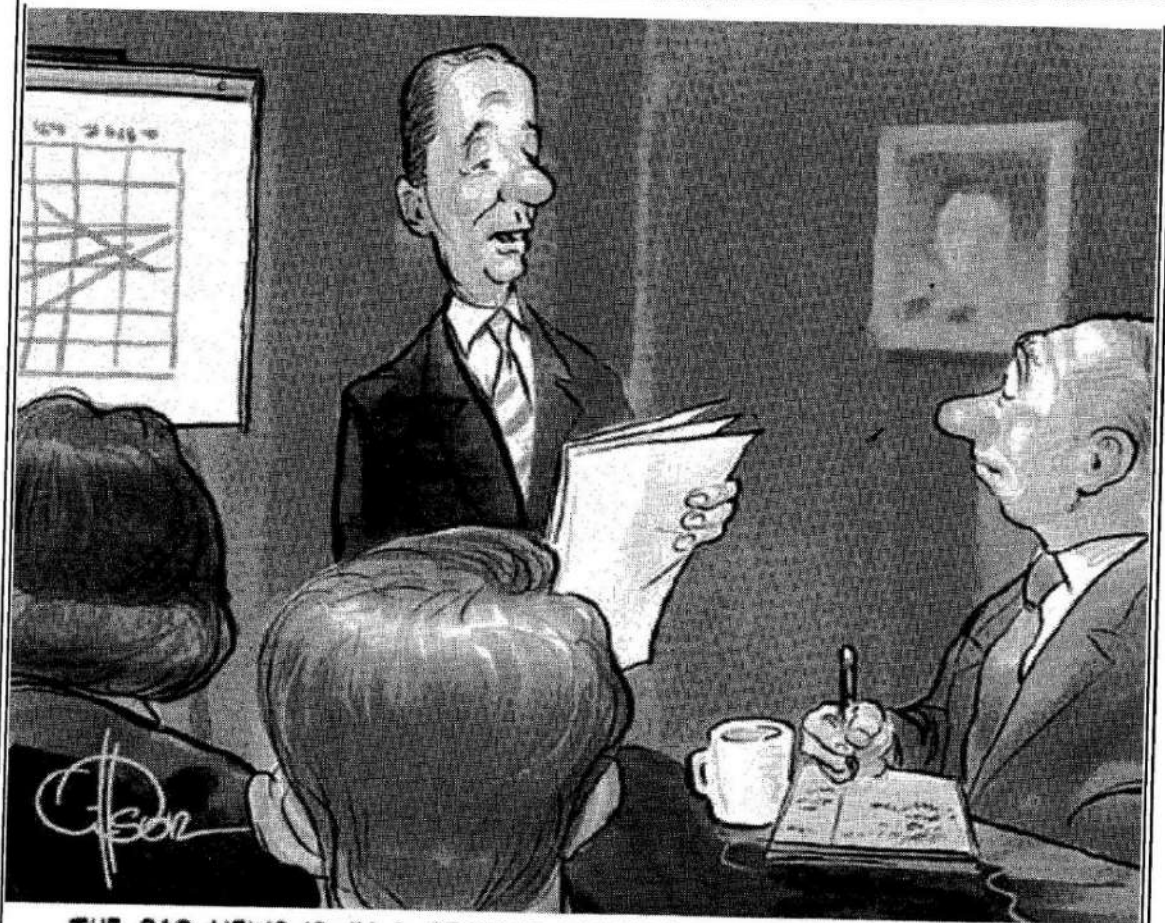
- Cash
- Note payable (must be backed up by a letter of credit)
- Shares of our company (with share price adjustment clause, if shares go down in value at set date, more shares must be issued..)



We buy a company in the UK

Impact

- The letter of credit, must be supported by our line of credit, so we have reduced borrowing capacity
- Our shares are going down rapidly in value, it may turn out to be a reverse takeover



THE BAD NEWS IS: IN A RECENT ACQUISITION FRENZY, WE PURCHASED ONE OF OUR OWN COMPANIES. THE GOOD NEWS IS: THE STOCK WENT UP.



Warren Buffet in 2020

In the latest annual report of Berkshire Hathaway **BRK.A, 0.58%**, his investment company, Buffett noted that when a board considers an M&A transaction, “the deck is stacked in favor” of the deal recommended by the CEO and their “obliging” staff.

“I have yet to see a CEO who craves an acquisition bring in an informed and articulate critic to argue against it,” he wrote.

In an ideal world, that’s what standard M&A advisers are meant to do. The risk involved in launching a multibillion-dollar takeover bid is substantial. Failure can ruin reputations and sometimes, even end careers.



M&A – remember this

- Use a working capital adjustment 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 with cheque in December
 - Working cap at closing date Nov 30, \$4.1M
 - Hand over a cheque for \$48M
- Ethics & creativity issue: acquirer preparing Nov 30 f/s
- Example, a Nov 30 accrual for 11/12 of the \$75K Christmas party!



Someone wants to buy you

- Reminder for acquiree: ask for a bust-fee if a company wants to buy you
- Typically 1-5% 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:
- Partner instead of acquire
- Not legally a partnership



Many different forms

- Joint venture
- Marketing for each other
- R&D partnership
- Use of complementary skills
- And many other possibilities



Examples

- Our software will be in your suite
- We will only buy X from you, you will be our supply partner, we will help you do it cheaper, but we will benefit from the savings, etc
- Partner to enter a certain foreign market



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 _____

Financial reporting – the close



- Is financial information real-time?
- Month end close speed
- Why close fast? Make key decisions from fresh information and get it out of the way quickly so you can do real work
- 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 a new system, more staff
- If you are faster than avg ask for a bonus

The close

- A monthly close means avg month, reports issued to users
- 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 the family books?!



The close

Historic averages:

Montreal/Dorval 12.69

All locations 13.14

- A monthly close means avg mo
issued to users
- Working days you take to close ___
- Class average ___
- Overall average _____
- City average ___
- Remember to tell your boss
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The close

- A monthly close means avg month, reports issued to users
- Working days you take to close ___
- Class average ___
- Overall average 13.14
- City average ___
- Remember to tell your boss
- The fastest & slowest closes
- How long does it take _____ to close the family books?!





The close survey

- A monthly close means avg month, reports issued to users
- 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 _____ ?



The close survey

- A monthly close means avg month, reports issued to users
- Working days you take to close ___
- Class average
- Overall average
- City average
- Remember to
- The fastest & slowest closes
- How long does it take ___ to close ___ ?



THE ALBERTA
NEW HOME
WARRANTY
PROGRAM



Salary survey

- We have done the headcount and month end close survey, to see where you stand
- I am sure many of you would be even more interested in where you stand salary-wise, relative to the others in the webinar
- (Optional) Type your salary (base only) in the chat, so I can calculate the average



Shortening the close

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

Some ways to close faster

- Do a real slow close
- Challenge every single step in your current process & look for bottlenecks
- Balance the staff workload
- More automation of processes
- Do some steps in advance of the month end
- Convince non-finance of the value of their input to a fast close, to the CEO/owner
- Close early (a soft close on the 29th?)

Skip low risk reconciliations



Some ways to close faster

- Do a real slow close
- Challenge every single step in your current process & look for bottlenecks
- Balance the staff workload
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- Do some steps in advance of the month end
- Convince non-finance of the value of their input to a fast close, to the CEO/owner
- Close early (a soft close on the 29th?)



May work with rental properties



Some ways to close faster

- Fix it next month
- Drop head office resources into the divisions to help
- Flash report revenue/margin as soon as available
- Electronic task schedule visible to all
- Make a faster close promise to a key stakeholder
- Give a day off to staff if you hit the target



Key indicator reporting

- The old way of reporting
- A new idea
- It was well received
- Manage the company from one page
- a kind of dashboard
- You could call it the vital signs or KPIs or the metrics



A small, dense table representing a traditional multi-page report. It contains many columns and rows of text, typical of a detailed financial or operational statement.



From this to this



	FIDUS KEY WEEKLY METRICS				
	Weekly ending				(all Canadian \$)
	24-Sep	27-Sep	28-Sep	29-Sep	30-Sep
Cash					
Cash balance	85,483	158,483	55,856	[17,200]	52,283
In arrears	288,823	288,822	288,822	288,822	288,822
Revenue					
New bookings	38,888	128,322	[16,658]	118,447	27,681
Revenue earned - no revenue	45,887	36,738	28,283	186,788	33,374
Revenue earned - work log	54,483	52,354	56,333	61,233	48,658
Billing	192,258	127,824	48,755	6,328	23,536
Booking	174,625	175,162	188,238	153,283	158,313
Call volume	85,233	37,124	152,435	-	38,458
On hold revenue	36,646	153,782	82,214	334,281	487,873
YTD revenue	1,242,116	1,288,623	1,146,284	1,117,838	1,818,421
YTD revenue ahead projects	148,277	424,417	316,233	285,333	261,233
"In the bag" revenue	1,419,741	1,325,741	1,254,818	1,271,487	1,161,648
Don't fix in the bag	77.1X	75.8X	68.4X	63.3X	63.3X
Weighted pipeline opps	536,253	675,625	822,871	648,876	671,631
Total revenue at risk	1,148,818	2,851,366	2,877,638	1,311,563	1,832,971
Total revenue at risk %	186.2X	191.8X	119.3X	184.2X	93.3X
Current work planned revenue	133,353	136,323	88,217	87,133	112,618
Projects					
# of active projects	28	27	27	28	28
# of new projects engaged in work	4	3	1	1	3
# of projects ahead in work	3	3	2	1	-
# of ahead projects - cumulative	22	13	16	14	13
Working capital					
U.S. exchange rate	1.5397	1.5273	1.5241	1.582	1.5834
Total W/R	338,659	333,875	328,566	376,738	327,435
W/R < 30 days	237,623	277,682	133,241	133,485	183,233
W/R 31-60 days	38,825	38,825	133,225	155,118	116,887
W/R > 60 days	6,111	24,418	-	22,135	22,135
Revenue Payable	143,325	38,578	53,236	61,888	38,683
Current liabilities	131,787	241,713	212,333	215,616	133,158
Working capital	626,163	587,274	443,326	441,137	537,635
Current ratio (work exp/current liab, k)	3.56	2.75	2.74	2.53	3.21
Leads work's cash disk, no payroll	44,364	28,373	17,764	18,482	23,851
People					
Hires	-	-	-	1.8	-
Terminations	1.8	1.8	-	-	-
Employs headcount	24.8	25.8	26.8	26.8	25.8
Grossable payroll	37,878	33,385	48,515	48,515	33,385
Billable non-cash annual	1.8	-	-	-	-
Billable utilization	68.9%	64.6%	66.9%	66.3%	66.4%



The dashboard

- About 50 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 information people
- Who here reports extensive non-financial data weekly?



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 dollars and cents
- Report volumes, %, per unit, ratios, heads....



In the dashboard

- Report the usual measures including industry KPIs
- But provide extra insights: not just **cash balance**, but by currency, line of credit available, 4 week cash forecast, lowest cash in next year, etc
- Not just **revenue**, but revenue sliced & diced in creative ways, eg from new customers versus old

Key point



- Report the standard measures, but you need to look for more and **invent** really **sweet new** 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 quantify,
Example: co wants to minimize job site emergency pick ups, so measure and report them (or safety example)
 - (“What gets measured gets done”)





Invent them

- Examples (financial or non-financial)
- Billable staff load factor
- Clever numerical measure of inventory age/quality
- Useful lost customer measure
- An insightful business capacity measure
- Useful ideas from subordinates ignored...
- Have you invented any? (or a colleague)
- Get others inventing them
- Present them in a different way? ounces of silver



An example – consulting engineers

- Old measures: Revenue, avg revenue per hour, % billable
- **Billable % =**
Hours billed/40 hours



An example – consulting engineers

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

Week ending May 8, 2020

- Revenue \$458,543
- Average \$188.53/hr
- 86.2% billable

An example – consulting engineers

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

Week ending May 22, 2020

- Revenue \$369,543
- Average \$189.22/hr
- 56.2% billable

What is wrong, is this bad?

Statutory holiday, sick days, vacation, training, etc, mess this up



An example

- Old measure **Billable %** =
Hours billed/40 hours
- New measure = **Load Factor** =
Hours billed/40 hours minus time
that could not be billed (statutory
holidays, vacation, sick, training
etc.)



An example – consulting engineers

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

Week ending April 2, 2021

- Revenue \$355,444
- Average \$189.71/hr
- 80% billable
- 100% loaded

(stat holiday is the only lost time, bill 32 hours per engineer)



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



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 1% of organizations do this

More inclusions



- Historical and forward-looking numbers
- Include targets (or what needs to be done to hit targets)
- Include relevant external data, examples: commodity prices, housing starts, key exchange rates, etc.
- Rolling averages reveal trends

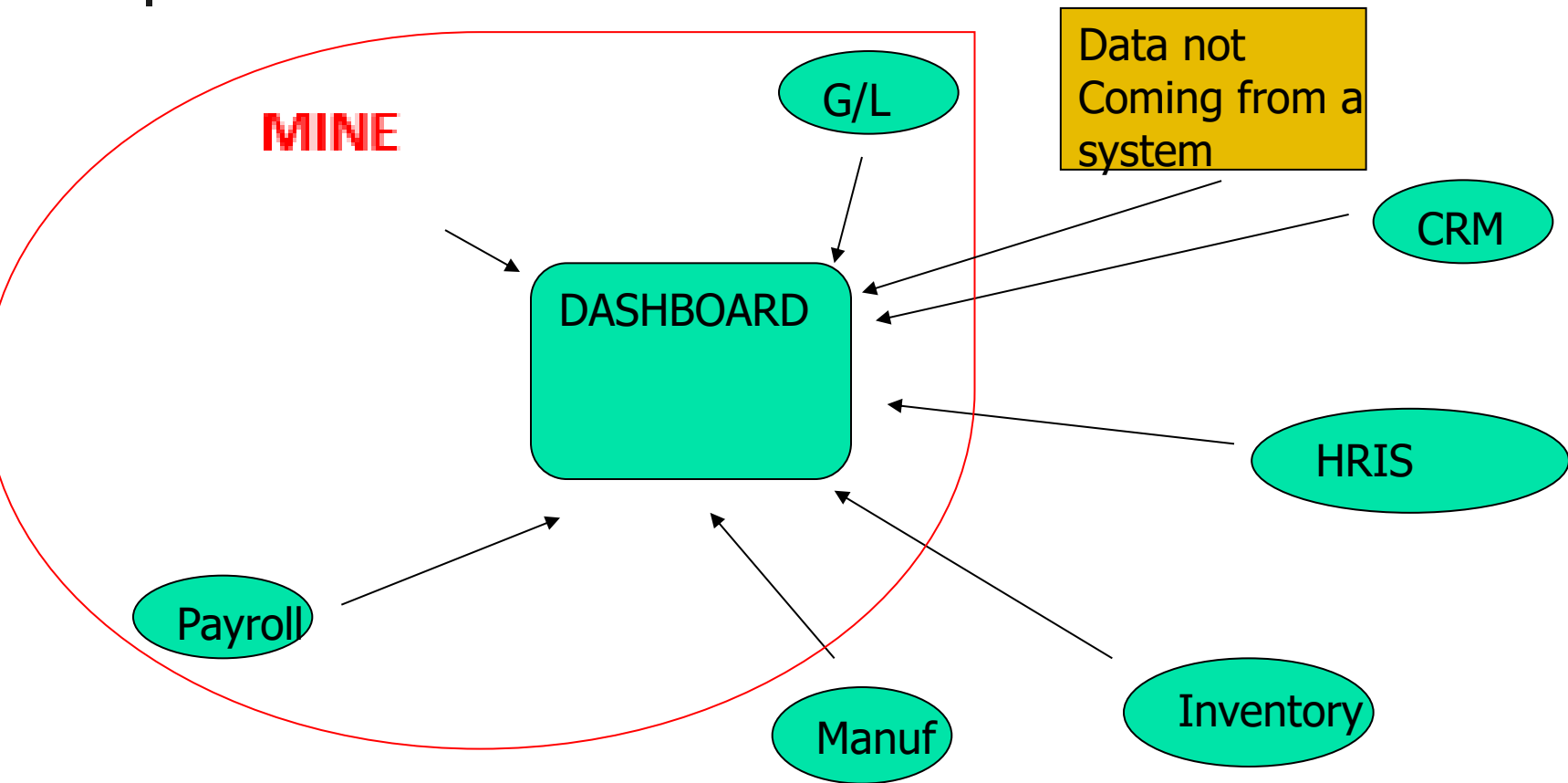
Click here to listen
at 1.25 speed

Preparation



- When do you report the dashboard? Early in week, for prior week
- 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 initially)
- Do you have time?
- If you suspect other departments are fudging the numbers, you will have to become the cop/auditor
- 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...

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 w/ky 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)
SPED hours

Long term financing

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

Some other ideas, depending on business

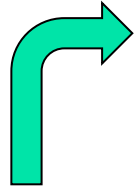
Vehicle, trucking fleet
Vehicles in repairs
of toilet paper rolls used
Student data
Help line calls
Website visitors
Patient data
Occupancy data - property management, hotel
Waste by location
Sources of leads generated
WCB claims
Weather statistics - agriculture
Customer churn (customers cancelling subscriptions, 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 exception review rather than reviewing each one (colors)
 - Understand the #'s before release
 - Provide value-added interpretation
 - You need feedback loops to operations
 - You can automate email items based on certain parameters
- 

Exceptions highlighted with colors

(\$000s)					
	<u>YTD avg</u>	<u>8 wk rolling avg</u>	<u>4 wk rolling avg</u>	<u>29-Nov</u>	<u>22-Nov</u>
Revenue					
Contracts signed/orders received	\$ 844	\$ 832	\$ 799		
Key customer orders	\$ 166	\$ 161	\$ 154		
New customers signed up	5	5	6		
Customers lost	6	8	9	17	8
Orders cancelled	4	4	4	5	3
Sales commission earned	\$ 59	\$ 42	\$ 40	\$ 32	\$ 71
Order backlog	\$ 4,850	\$ 4,624	\$ 4,472	\$ 4,423	\$ 4,501

Due to dropping X product we think

Exceptions highlighted with colors

(\$000s)	<u>YTD avg</u>	<u>8 wk rolling avg</u>	<u>4 wk rolling avg</u>	<u>29-Nov</u>	
Revenue					
Contracts signed/orders received	\$ 844	\$ 832	\$ 799	\$ 641	\$ 725
Key customer orders	\$ 166	\$ 161	\$ 154	\$ 207	\$ 199
New customers signed up	5	5	6	3	2
Customers lost	6	8	9	17	8
Orders cancelled	4	4	4	5	3
Sales commission earned	\$ 59	\$ 42	\$ 40	\$ 32	\$ 71
Order backlog	\$ 4,850	\$ 4,624	\$ 4,472	\$ 4,423	\$ 4,501

Email to sales to investigate

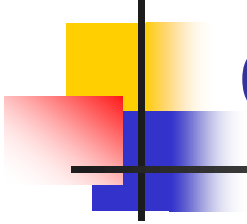
Other angles



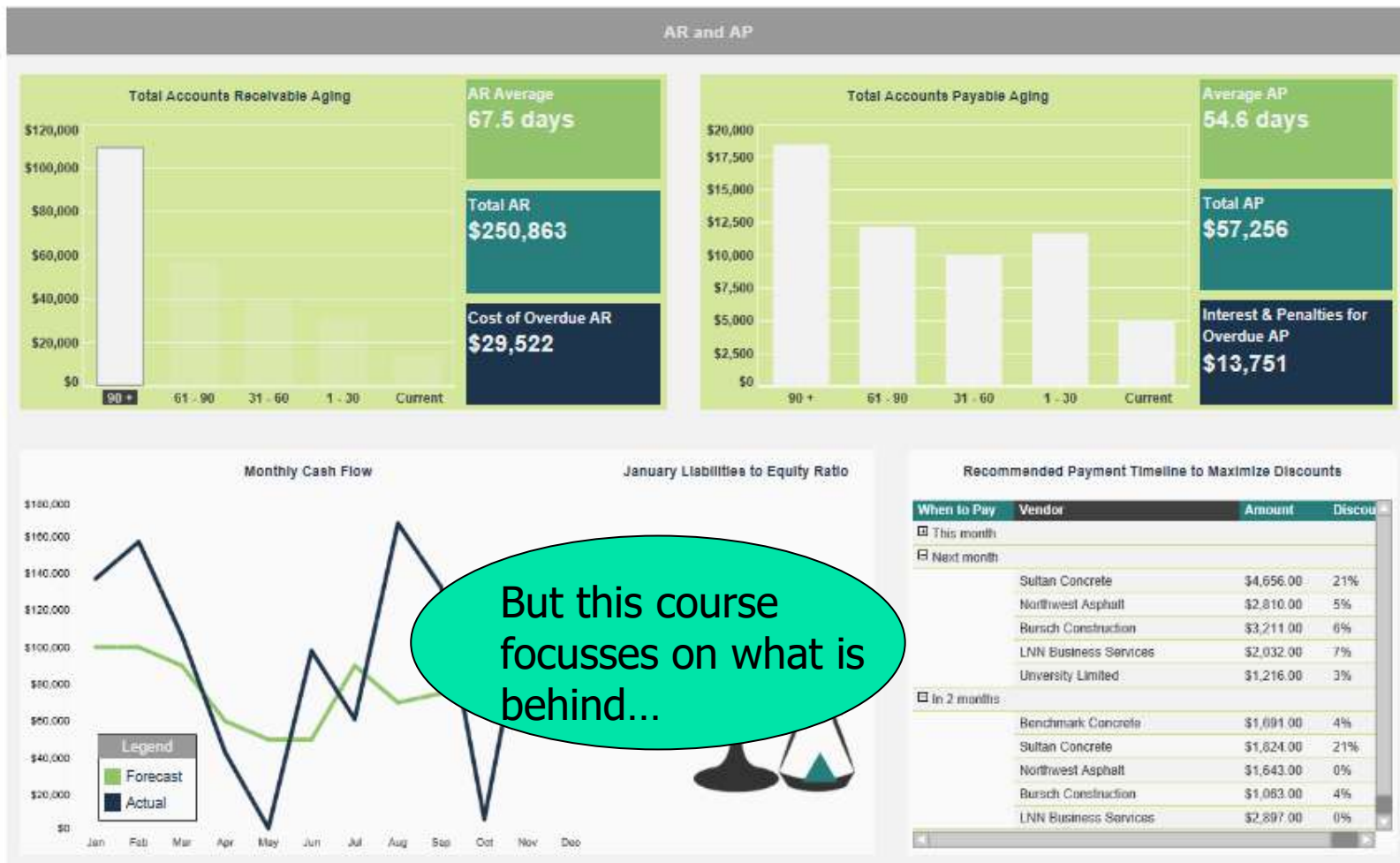
- Make them bonus targets, but be careful!
- Don't over-measure
- You should always step back and say "are we missing something that is not in the numbers?"
- Should it look like a dashboard?



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 weighted averages

Other thoughts

- What about some kind of weighting or linking of measures?
- Never stop challenging them, this has evolved in all my organizations
- Some measures should be real-time, not weekly, on a mobile device
- Public accountants/consultants: build one for your clients





Linking with weighting eg

- Business: mass-manufacturing
- Measure 1: % production defects
- Measure 2: % customer returns for quality
- New measure: % production defects plus 2 X % customer returns for quality = manufacturing efficiency
- (customer returns have higher impact)
- Target: less than 0.014%



Reactions from you

- Doesn't fit my organization
- I will try to implement it, perhaps with adaptions
- My owner has most of this in their head, but I will start reporting 20 measures
- I just like the new measures idea alone
- Great idea, no time
- Will do for my division, 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** course



Other comments

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

FAMILY

WEEKLY DASHBOARD

YTD avg 8 wk rolling avg 4 wk rolling av 29-Nov 2

Finances

Cash by currency

Short-term investments

Employment income

Earned on the side

TFSA

Retirement savings

Age savings run out

(numbers confidential)

Spending

Groceries

Toiletries

Entertainment

Restaurant

Frivolous

Insurance

Miscellaneous

Over/under budget YTD

Donations

Pet food

Credit card

Gifts

Return on gifts

Teenagers

Attitude (1-10)

Room clean on inspection

Grounding (hours)

Homework complete

Grades reported

Time on Facebook (limit 15 min)

Km driven

Fines charged

Fines paid

Days chores outstanding

Boyfriend turnover ratio

0

Girlfriend turnover ratio

0

GPA by child

Height increase

Husband/wifeDisagreements - small
- large

Kisses

Other relevant

Vehicles

Km driven

Accidents

Fender benders

Fuel purchased

Opening tank balance

Closing tank balance

Maintenance cost

Km to oil change

Traffic offences

Exercise

aerobics classes

km jogged

km biked



Bathroom			
# flushes			
- Toilet paper rolls used			
Child accidents			
Cleanings			
Other			
Laundry done			
Laundry backlog			
Pet km walked			
Pet accidents			
Health - excellent			
Health - issues			

An email received after a recent seminar



Hi Stephen

I attended your course yesterday. Thanks for keeping the course interesting and interactive.

Could you please send me the "family dashboard spreadsheet" so I can play a joke on my husband?

Thanks

Cindy _____

Can you think of some funny new measures?

I will send it to you...



What happened to the de-
icing technology mentioned
earlier?



What happened to the de-icing technology mentioned earlier?

- Venture capital said they would invest when commercial orders came
- Founder and inventor turned down financing from a former airline board member's fund



What happened to the de-icing technology mentioned earlier?

- First commercial orders received
- Founder started making more terrible decisions
- Pushed out President who had built the business, the day after retired NHL hockey player's \$750K investment closed
- Put daughter in as CEO, with no business leadership experience



What happened to the de-icing technology mentioned earlier?

- Venture capital was needed to finalize the product and tool up manufacturing
- Founder doesn't want to be diluted
- Venture capitalists who were poised to invest, balked
- Investors tried to persuade founder to replace daughter with an appropriate CEO
- Airline CEO on Board tried to restructure company, founder wouldn't go for it
- Independent board members quit



What happened to the de-icing technology mentioned earlier?

- VP Sales, world technical expert in aircraft deicing quits, the ship is sinking and cannot be saved
- I quit
- VP Manuf & R&D quits
- Founder fired daughter, accused her of stealing \$100K
- Daughter sued founder about some loan documents
- I got another shareholder to call a special shareholders' meeting – founder doesn't show up
- Retired NHL player investors, who were secured creditors, unable to take over business successfully



Today

- Company in limbo
- Aircraft de-icing patents not renewed
- Most of the trucks seized by landlord
- Company refuses to hold annual general meetings or issue financials
- We thought about a lawsuit....



Has done some other interesting steam applications

- Permafrost
- Agriculture
- Roofs..



Another De-icing application

HOME

67's suffer meltdown under leaky roof Blow 3-goal lead, lose 4-3 to Petes in rescheduled game

BY BRUCE GARRIOCH, OTTAWA SUN

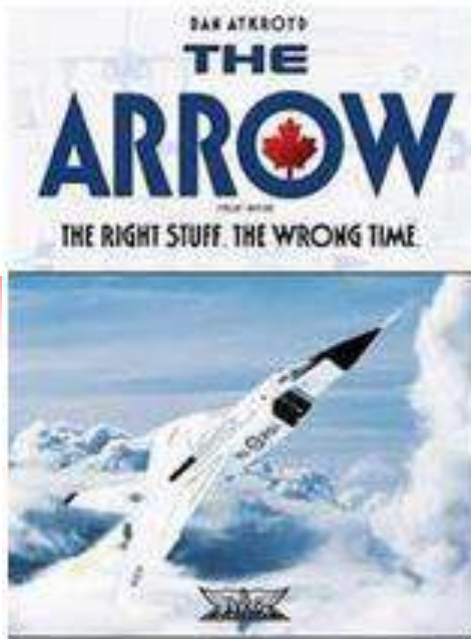
FIRST POSTED: SATURDAY, FEBRUARY 18, 2012 06:00 PM EST | UPDATED: SUNDAY, FEBRUARY 19, 2012 12:29 AM EST



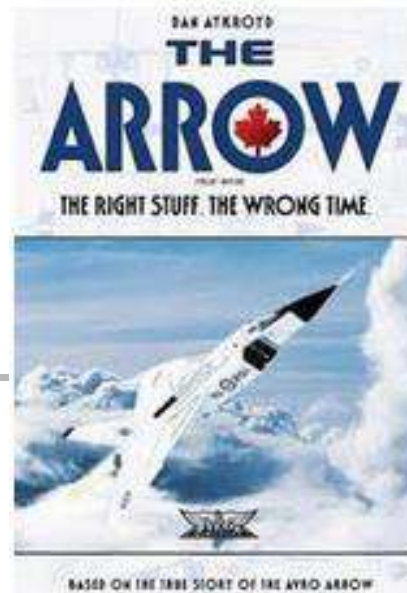
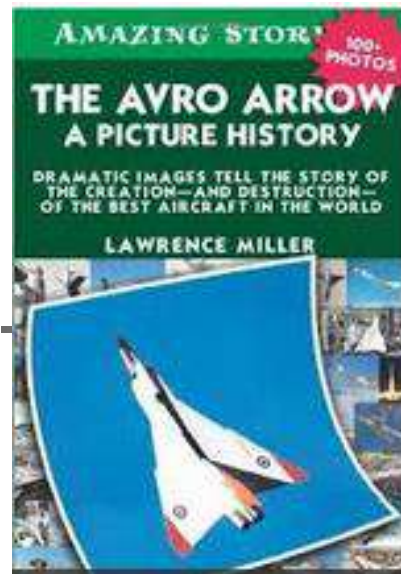


An Air Canada pilot - a de-icing expert - said the story is like that of the

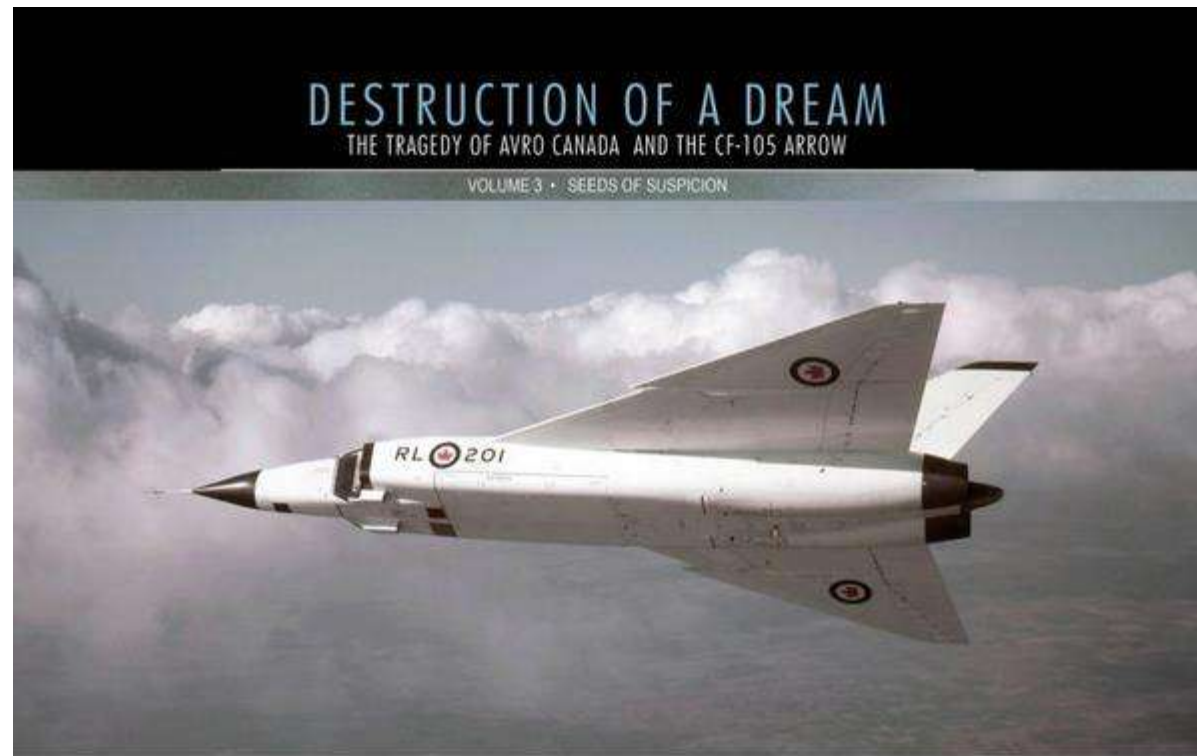
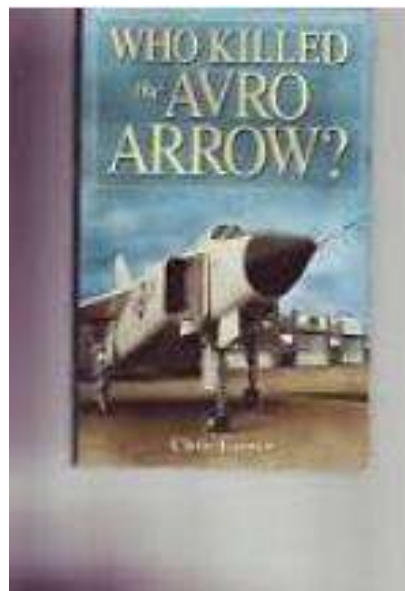
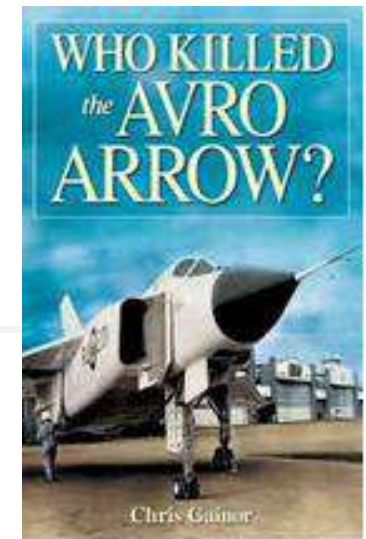
THE AVRO ARROW



BASED ON THE 1981 STORY OF THE AVRO ARROW



BASED ON THE 1981 STORY OF THE AVRO ARROW





Why did he behave like this?

- 84 year old
- A previous company, technology dries wheat
- I get nightmares about this



A book I started to write....

FIFTY WAYS TO WRECK A COMPANY (actually 179)

A book by the

THE _____ SCHOOL OF MANAGEMENT



The case I published (before the problems)

You, CA, are a sole practitioner, doing primarily review engagements, income tax returns and a few audits. Dr. Herbert Nozzle is an entrepreneur and a brand new client. With a doctorate in chemistry from a prestigious Canadian university, this brilliant scientist, has a reasonable nest egg, from wise stock market investments. After a 30 year career in corporate lab research, he incorporated Cleanwing Inc. (CW) two years ago. The company's mission has been to develop aircraft deicing technology that is his brainchild. The company has a July 31 year end. CW has been seed-funded by Nozzle and some friends. He recently hired Mikael Spyro as President. Spyro is an experienced engineer and corporate executive, from the pulp and paper industry. Nozzle has asked Spyro to lead the company, while he moves over to the Chief Technology Officer position. It is now September 23, 2009 and you are in a meeting with Nozzle.

Nozzle: I am excited about this opportunity, for my new technology, which could revolutionize aircraft deicing.

CA: Can you explain how deicing is carried out currently.

Nozzle: All around the worldwide, air traffic regulations stipulate that aircraft must be deiced prior to take off. Although the primary concern is the wings, the engines and all surfaces, must almost be free of ice, snow and frost. The worldwide airline industry spends more than U.S. \$4 billion annually on deicing. Deicing is almost universally carried out by the application of glycol, a type of industrial alcohol. Glycol has numerous environmental disadvantages. It is difficult to dispose of safely and can't easily be recycled. Glycol is dangerous for the operators of the deicing equipment. It depletes oxygen in water. Glycol results in greenhouse gases and is expensive. Glycol also can't be applied at the passenger gate, the aircraft has to travel to a deicing area.



Lessons

- Founder problems, termed “founderitis”
- Great invention, bad overall leader
- Don’t invest until you take control from a majority shareholder who may get difficult
 - they can still keep the majority of the economic benefit



Results

- \$300,000 lost by my brothers and I (at least we got tax losses), I wrote off \$100K of sweat equity as well
- Millions lost by other investors
- After wasting about \$4M, this government agency put in new rules to try to avoid founder problems!





Today

- Three executives (including me) and two employees from that company are at my current company, very successful in anti-icing information systems, but the technology is not so revolutionary...
- I have thought of taking a run at this technology with new investors...
- Other angles on this story are in my **Practical Financial Negotiation Tips** seminar

My other seminars

- Toilets and toilet paper are rarely mentioned in my other seminars...





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

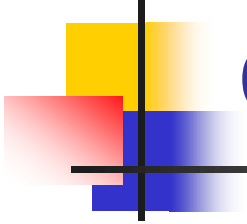
Heavy coverage *** Medium coverage ** Light coverage *	Practical Tips for Controllers & CFOs	Practical Tips to Get Through Cash Difficulties	Practical Financial Negotiation Tips	Practical Brainstorming - Top Ten Trouble Spots & Other Practical Topics for Financial Leaders (1)	Practical Work Smarts for 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
- Some people have approached me about picking my brain....



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...