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ANDERSEN ALUMNI™

Straight Thoughts, Straight Talk

"Serving Andersen Alumni Worldwide"

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Editorial

When I reflect on Andersen's time-honored mantra "Think Straight, Talk Straight", I often think of Rotary's Four Way test… Like Andersen, Rotary was born in Chicago, Illinois but in 1905, some eight years before Andersen. Rotary first began as a business networking organization and has evolved into one of the largest service organizations in the world. It is a non-political and non-religious organization with a stated mission to "provide service to others, promote integrity, and advance world understanding, goodwill, and peace through [the] fellowship of business, professional, and community leaders". I am proud to say I am a Rotarian, just like my father and my mentor at Andersen. Borrowing from Rotary's playbook, I wanted to share Rotary's Four Way Test with you.

Of the things we think, say, or do:

1) Is it the truth?

2) Is it fair to all concerned?

3) Will it build goodwill and better friendships?

4) Will it be beneficial to all concerned?

You don't have to be a Rotarian to apply the four-way test. For all the noise in the world today--with everyone trying to speak louder than the next person--I'd like to believe that if more of us applied Rotary's simple test, how much better off our world would be.

Please join me in THANKING LEASEQURY for sponsoring this quarter's Newsletter.

Lastly, we need your help to further strengthen and maintain our Andersen Alumni network. Please leverage our Social Media Presence and LIKE our Facebook page and JOIN our LinkedIn network, and lastly you can FOLLOW us on LinkedIn as well.

As always Think Straight, Talk Straight
Warren Turner
Editor

Alumni On the Move

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+ Follow us on our LinkedIn Company Page for the latest information on fellow alumni on the move.

If you have recently changed jobs and would like to share your good news with other Alumni, please email details to Admin@andersenalumni.com

Congratulations to the Following Alumni and Best Wishes in your new roles.

Free CPE Webinar: Post-Transition Lease Accounting and the Value of Purpose-built Technology

From LeaseQuery

Join the experts at LeaseQuery for a **free 1-hour CPE webinar** on May 3rd! During this webinar, we'll review examples of various lease activities, outlining the complexity of the new lease accounting standards beyond initial adoption. Examples will cover the required steps and calculations to account for common transactions, including lease amendments, partial terminations, evaluating for impairment, and accounting for lease abandonments. Register now!

"As someone who started auditing on actual paperwork papers, I'm thrilled to be working at a company whose mission is to automate and simplify accounting through technology. Every day I get to help make accounting a little easier." - Kiley Arnold, CPA, Andersen Alumnus and current LeaseQuery Employee

Leasequery is the *#1 rated* lease accounting software working directly with companies needing to comply with the new standards as well as *firms helping their clients transition*. Here's a short snippet from our blog: *Post-Transition Policy and Procedure Considerations for Lease Accounting*

Wondering what's next after successfully transitioning to ASC 842? Whether a company is using lease accounting software or has minimal leases to account for manually, it's imperative to have policies and procedures in place going forward. To ensure your post-implementation efforts are seamless, identify all parties involved, refine the process and policies, and monitor the chosen lease accounting solution.

Establish a Lease Accounting Team

Know who will process leases after implementation.

Teamwork is critical to continued compliance with the new lease accounting rules. During transition, you likely identified a point person to lead the implementation and a team to monitor all departments involved. This is also a good starting place to form a post-transition lease accounting team.

Consider the departments or people involved in the end-to-end leasing process. During implementation, organizations were more focused on gathering their complete lease portfolio and reporting the appropriate lease liability and ROU asset on their balance sheet rather than looking to future lease transactions. Now is the time to identify the other individuals, in addition to the accounting team, that will play a major role in the lease accounting process.

Many companies will transition to a centralized process to include multiple departments such as accounts payable, treasury, real estate, or legal. Establishing and identifying a cross-functional team is important to ensure all lease transactions are captured.

Process & Policies Refinement

Evaluating new contracts for leases

It's critical to account for all leases. Some of those leases are hidden within service contracts or larger agreements, known as embedded leases. The best practice is to ensure processes are established to identify and properly account for them. This process requires investigation and contract analysis. Consider adding these steps to the lease accounting process to aid in identifying embedded leases:

- Assess service contracts within relevant departments.
- Examine contracts with the help of the legal department.
- Review areas of high risk for unrecorded embedded leases
- Data abstraction
- Accurate lease accounting requires capturing the correct data points from contract execution to lease expiration. Sifting through hundreds of pages of lease agreements is challenging but abstracting the correct data is essential as it will impact all calculations from lease commencement to the end of the lease term.

Data abstraction post-implementation should be seamless and build upon the lessons learned during initial implementation. We recommend identifying data points that were previously difficult to retrieve or validate and then building controls around the process going forward.

Summary

Overall, it's imperative organizations consider post-implementation policies and procedures to ensure their lease accounting continues to be in compliance with the new standard going forward. Having a seamless approach includes identifying a lease accounting team, refining your lease accounting process and policies, and planning maintenance activities to ensure ongoing compliance.

LeaseQuery is here to simplify your lease accounting. Learn more at our free 1-hour Post-Transition Lease Accounting and the Value of Purpose-built Technology CPE webinar on May 3rd!

The 6 Biggest ERP Trends for Manufacturing This Year

By Erin Koss*, CPA is an Andersen Business Consulting Alumni (1993-1999), and CEO of Syte Consulting Group, Inc.*

As family-owned manufacturing companies increasingly rely on ERP as the backbone of their organizational processes, these systems continue to evolve.

Every year, ERP solution providers incorporate new technologies and support a wider range of functionality to help manufacturing companies cut costs, reduce redundant processes, automate manual tasks and give leaders the information they need to make better, faster decisions.

In this report, we'll look at the six most important ERP trends your company needs to be aware of in 2023.

Transitioning to the Cloud

In 2023, we'll see more manufacturers upgrading their systems and moving to cloud ERP.

In the past, many organizations that used on-premises ERP applications were reluctant to move core business applications to the cloud – but that's changing rapidly.

According to an informal survey by CIO, perceptions of SaaS and the cloud have shifted in recent days. CIOs and other executive leaders now see the benefits of cloud ERP solutions, including:

- Simplicity of deployment
- Lower costs
- Elasticity (only using resources that are required at a given time)
- Lower dependency on internal IT resources
- Easily adding users and functions as the business grows
- Improved security and reduced liability
- Faster updates
- Better support for remote workers
- Integration with other systems

Additionally, manufacturing leaders are more willing to try new things as the hyperscale cloud has matured, including using SaaS solutions for their complex applications.

Statista projects that the global cloud ERP market will reach [$40.5 billion by 2025], growing 13.6% annually.

Moving to Mobile

The shift to mobile is a natural next step as many ERP solutions move to the cloud. Companies need to meet the needs of their diversified and remote workforces, so more features of ERP solutions are now available on mobile devices.

ERP systems with mobile capabilities extend powerful functionality beyond factories, offices and warehouses – and with the availability of lightning-fast mobile data speeds, team members now have access to critical real-time data through mobile ERP applications. For example, sales reps in the field can access to real-time inventory updates and minimize customer wait times by offering products that are readily available.

Leveraging Data to Improve Processes and Make Better Decisions

With better access to data, ERP systems can now deliver better models and statistical patterns. Companies can leverage that information to identify future business opportunities, optimize processes, anticipate trends and make data-driven decisions.

Combining ERP analytics with companies' existing supply chain management workflows delivers benefits like:

- Monitoring sales, inventory, financing and manufacturing in real time
- Increasing cross-departmental efficiency
- Proactively predicting customer behavior and preferences
- Improving retention by providing a better customer experience
- Automating processes and reducing management costs
- Reducing IT-related issues
- Modifying supply chains to make them stronger and more flexible

Powering ERP With Artificial Intelligence

More and more ERP vendors are offering solutions with built-in artificial intelligence (AI) functionality. AI and predictive analytics deliver significant benefits for manufacturing businesses.

Organizations can harness AI to deliver valuable business insights based on customer data, because AI technologies can scan huge amounts of structured and unstructured information to spot patterns and predict trends.

AI can also help automate and improve processes. For example, manufacturers that have adopted just-in-time inventory strategies can minimize carrying costs by delivering components at the last possible moment. AI and machine learning can also optimize labor schedules and delivery schedules to lower costs and increase productivity.

With predictive analytics, companies can also minimize demand forecasting errors that lead to inventory problems, like having too much or not enough product in stock.

Maintenance companies are also using machine learning to predict when manufacturing equipment breakdowns are most likely to occur, so they can service critical machines in advance.

Increased Focus on ERP Security

ERP security challenges are at the forefront of manufacturing leaders' minds as cybercriminals continue to exploit tech vulnerabilities and human mistakes.

Research from IBM reveals the per-incident cost of a data breach has reached $4.24 million. More companies have shifted to all-remote or hybrid operations due to the pandemic, increasing the number and cost of data breaches. When cybersecurity attacks involve remote labor, they typically cost over $1 million more than other issues.

Companies that are working on securing their ERP applications are concerned with challenges including:

- **Customization:** As companies extend their core ERP capabilities – whether their ERP resides on-premises or in the cloud – it introduces new vulnerabilities.

- **Poor governance:** If security and data access policies aren't well documented and enforced, it can leave ERP systems vulnerable.
- **Fast-changing threats:** Cybercriminals are constantly evolving and honing their techniques, but many manufacturing organizations maintain static defenses.
- **Ongoing software updates:** On-premises systems can be difficult to keep up to date, leaving ERP systems vulnerable to attacks.

As a result of these challenges, companies are taking steps to secure their ERP applications. Manufacturing companies are prioritizing enterprise security at a higher level as employees shift to remote, distributed or hybrid working arrangements.

The Fourth Era of ERP

We've now entered the "Fourth Era of Enterprise Resource Planning," also known as the era of intelligent ERP. This new era is a radical shift for ERP, into an ecosystem that encompasses not just suppliers and customers, but also competitors, stakeholders and partners.

Gartner predicts that by 2023, 65% of organizations will be using ERP applications that have at least one of the fourth-era hallmarks.

Here are the six attributes of the fourth era of ERP:

- **AI-driven:** Artificial intelligence in the fourth era of ERP will enable manufacturing companies to manage and integrate diverse applications. AI and predictive analytics will also support complex decision making.
- **Data-centric:** Companies are using data from multiple applications, services and sources to improve strategic planning, identify risks and accomplish important business initiatives.
- **Consumable:** ERP solutions are already highly commoditized, and organizations don't care as much as they used to about the vendors behind the scenes of the software – as long as the product works.
- **People-augmented:** AI augmentation is making humans more efficient. Fourth-era ERP can help workers increase productivity and perform better and faster, so they can focus on higher-value work.
- **Customer-facing:** Fourth-era ERP should help organizations understand and meet the needs of their customers. Every department – front or back office – can leverage ERP to drive customer value, including faster delivery or easier ordering. This is a big change from historical ERP functions, which focused on delivering internal value.

- **Enabling:** Agile implementation and software support are turning ERP into an enabling technology that helps businesses realize the benefits of the software more quickly and easily.

Experts see the fourth era of ERP as a major step forward in the evolution of these systems, offering organizations a more advanced and sophisticated tool for managing operations and driving growth.

The New World of ERP

The enterprise resource planning landscape is continuously evolving. Cloud-based ERP solutions have become the norm and the widespread adoption of mobile technology has transformed the way businesses operate, providing employees with the flexibility to work from anywhere and at any time. ERP solutions are also increasingly integrating AI, and organizations now have a wealth of data insights that enable them to make more informed decisions.

With the increasing threat of cyberattacks, organizations are also placing a greater emphasis on security, ensuring that their ERP systems are protected and secure. We're also entering the fourth era of ERP, where the emphasis is on creating more intelligent and agile systems that can help businesses stay ahead of the competition.

Manufacturing companies can harness these ERP trends to stay ahead of their competition and face the shifts of the ever-changing marketplace.

Questions about the trends in this report? Ready to talk about how it may impact *your* manufacturing organization in the near future? Schedule a complimentary consultation.

Erin Koss, CPA is an Andersen Business Consulting Alumni (1993-1999), and CEO of Syte Consulting Group, Inc. She is known for helping family-owned manufacturing companies scale with vision and integrity. Taking a people-first, process and technology readiness approach, Erin and the team at Syte ensure companies are ready to take on big change initiatives like ERP before diving in headfirst. A native to the Pacific Northwest, she enjoys traveling, being outdoors, hiking, biking, rowing, and supporting local culinary scene.

Is the four-day work week good for people and good for business?

By J. James O'Malley, *Former Andersen National Director of Experience Recruiting, Jim is a Managing Director and leads the executive search practice for Felix Global.*

In today's evolving economy, more companies are exploring the shift to a four-day week. Advocates of this model purport that it is not only good for employees' well-being but also good for businesses' bottom lines. Several companies around the world have implemented it. However, whether a four-day workweek is good for people *and* good for business depends on a variety of factors.

A shorter work week isn't a new concept. Around 1940, Henry Ford standardized the revolutionary five-day, 40-hour work week because he thought productivity would increase while also giving people more time to spend money. Three-quarters of a century later, the COVID pandemic showed the world that work structures can be more flexible and still produce the same, if not better, results.

Led by a combination of researchers at Boston College, Oxford and Cambridge Universities, and think tank Autonomy, the largest research study on the four-day workweek to date took place with 61 UK-based organizations from June through December of 2022. Despite unfavorable economic and political circumstances throughout the globe, participating companies saw favorable results. Since the trial ended, 95% of those companies have permanently implemented the four-day week after gains in revenue, along with reductions in turnover and employee burnout, demonstrated that people can work more efficiently in less time. These outcomes mirror the results of other studies conducted previously with other companies in the UK, Ireland, an Australia.

How is the four-day workweek different from flexible and hybrid work schedules? Could it be a model that works for your company and employees? Would it help you attract and retain talent or generate more revenue? Could it be a tool for getting people to return to the office? Could fewer working days make a positive impact on your community's mental, physical, and economic health? The transition takes meticulous planning, consistent collaboration, and dedicated leadership. To consider the switch, companies must account for potential benefits and drawbacks that impact both their employees and their organization.

Advantages for employees:

1. Improved work-life balance: Employees can better balance work with family, personal responsibilities, and interests.

2. Reduced stress: Employees may have more time to rest, leading to less stress and burnout, which can improve mental health and reduce absenteeism.
3. Higher job satisfaction: Employees' morale and engagement may increase, which can improve employee retention.

Advantages for businesses:

1. Increased productivity: Employees may be more focused and motivated during their working hours.
2. Improved recruitment: Potential employees may view a four-day workweek as an appealing benefit, helping businesses attract and retain top talent.
3. Increased in-office time: Employees may feel more inclined to work in-person if they are only required to commute four days of the week.
4. Lower costs: Businesses may save on overhead costs like electricity and office supplies.
5. Better customer service: Businesses may be more likely to provide consistent customer service and have fewer errors or delays.

Disadvantages for employees:

1. Longer workdays: Employees may have to work longer hours to complete the same amount of work, which could lead to fatigue and decreased productivity.
2. Difficulty adjusting: Some employees may find it difficult to adjust to a new schedule or may struggle to balance their workload.
3. Collaboration challenges: Employees may not be able to interact with their coworkers consistently if they do not work on the same days.
4. Reduced pay: A shorter workweek may result in reduced pay, depending on how the policy is implemented.

Disadvantages for businesses:

1. Reduced coverage: Businesses may have reduced coverage, which could lead to decreased productivity or delays.
2. Difficulty scheduling: Coordinating with clients or scheduling meetings could become more challenging with clients who work a traditional five-day week or a different four-day week.
3. Reduced profits: If productivity decreases or overhead costs do not decrease enough to offset fewer workdays, businesses may see profits decrease.

Ultimately, whether a four-day workweek is good for people and good for business depends on a variety of factors, including the nature of the work being performed, the needs and preferences of employees, and the overall culture of the company. Some companies have successfully implemented a shorter workweek and seen positive results, while others may find that it is not a viable option for their organization. This is a topic that is starting to gain more momentum; tell us what *you* think!

About the Author:* *J. James O'Malley *is a managing director and practice leader for Felix's Executive Search business. For 30+ years, Jim has developed talent acquisition solutions to ensure that leadership talent aligns with changing business needs. Jim has served: Private Equity and their portfolio clients across all industries in addition to his background with Management Consulting firms, Architecture, Engineering, Accounting, Tax and Law firms in addition to IT, Healthcare, Operations and Supply Chain consultancies. He also helps large Commercial, Consumer and Private Banks with their hiring needs. For more information and to contact Jim at: jomalley@felixglobal.com .*

About Felix: *Felix is a North American-based talent and organizational advisor with over 30 years of successful client engagements. Felix offers a partnership with a team of thought leaders who deliver integrated solutions for achieving excellence in talent and organizational performance. Their team encompasses content experts in the areas of Executive Search, Talent Acquisition, Talent Development & Insights, Talent & Organizational Performance, Career Transition, and a C-Suite Advisory that provides development and transition services to C-suite executives, their direct reports and board members and advisors. Felix works with numerous organizations of global reach in a variety of verticals, including financial services, healthcare, industrial/manufacturing, technology, professional services and more. Felix is headquartered in Chicago, with a Canadian headquarters in Toronto and new offices coming to Milwaukee, Dallas and Naples.* ***Don't wait. Think big. Go Small.*** *For more information on our Executive Search Practice, contact us at: www.felixglobal.com*

Overcoming Challenges of Getting to "Close" in Today's Due Diligence Environment

By John Kahn*, Partner, CFGI and former Audit & Business Advisory Experienced Manager Arthur Andersen, and Matthew "Matt" Podowitz, Partner CFGI, the nation's largest non-audit accounting advisory firm and a portfolio company of The Carlyle Group and CVC Capital Partners.*

This article summarizes key points from John and Matt's fireside chat at the 2023 M&A South Conference. Organized by ACG Atlanta, the Conference was attended by companies, private equity firms, investment banks, and others in the corporate growth eco system with a Southeast USA focus.

In today's business environment, getting transactions to "Close" can be a challenging process, with a multitude of obstacles that need to be overcome. The due diligence process plays a crucial role in ensuring that all parties involved have the information they need to reach an agreement. However, even with exclusivity periods and the window to perform due diligence shrinking, the effort to get transactions to close is expanding while the time to do so is not. There are many factors contributing to this, including the need for more information from a broader range of parties, the need to handle certain tasks pre-close that were previously handled post-close, and the longer time frame for completing certain post-close tasks, particularly in complex transactions like carve-outs and integrations. In this context, it is critical to explore the challenges of getting to "Close" and to identify ways to address them effectively.

The challenges of getting transactions to "Close" are numerous, with various factors contributing to the complexity of the process, for example:

- *The demand for more information from a wider range of parties.*
    - Internally, investment committees and limited partners require more details to ensure that their investments are sound, and the pressure on buyers to achieve their thesis means that sellers need to provide more assurance than ever before. Additionally, lenders and insurers are

more cautious than in the past, as buyers attempt to pass more risk to them. Furthermore, there is increased risk in areas such as cyber security and privacy laws, resulting in demands for more detailed diligence reports by specialist providers.

    - Third parties such as vendors responsible for transferring material agreements, are taking longer to provide consents and waivers, requiring more compensation or concessions for conveyance or third-party benefit/use during and post-transition.

- *The need to handle more things pre-close that were traditionally dealt with post-close.*
    - Non-material agreements, such as janitorial services, and employment agreements for non-key employees, now require attention pre-close, with the current inflationary environment requiring close attention to avoid killing the investment thesis post-transaction.

- *Things that must start pre-close, even though they cannot be completed until after the transaction closes.*
    - Onboarding acquired employees can take weeks, with payroll vendors requiring months of notice rather than days. There is less capacity in the system, resulting in less flexibility, and delays could damage relationships with employees. The same is true for changes in banking relationships, where more regulations and strictly enforced KYC rules require attention pre-close.

    - Other tasks such as conveyance of company car leases, company credit/purchase/gas cards, company-provided cell service, non-health/retirement benefits, and employee loans, require careful planning and a start to execution pre-close to ensure that they are handled effectively post-close.

In conclusion:

- The current due diligence environment has become more challenging, with many parties demanding more information and traditional hedges like a good multiple being less effective against new risks – as today’s environment also features increasingly divergent views between buyers and sellers about underlying enterprise values.

- To mitigate these challenges, buyers and their supporting lenders and insurers are increasing the breadth and depth of due diligence, accelerating traditionally post-close activities, and carefully crafting investment theses to set achievable expectations. Under promising and over delivering is a key point to keep in mind for management dealing with private equity investors, as well as the need for more to happen pre-close and the importance of starting post-close activities earlier.

- Finally, while historical research shows that around 70% of M&A fails to meet expectations, this can be as much, or more, about not setting realistic expectations than anything else. In which case, being less aggressive with goals and more focused on delivering on promises will increase the probability of realizing value in line with the investment thesis. With these key takeaways in mind, transactions can be more likely to successfully close and to achieve their intended goals.

About the Authors
John Kahn *was previously an Experienced Audit & Business Advisory Manager with Arthur Andersen, where he served in the Cardiff, UK and Silicon Valley, San Jose, CA offices. John brings over 25 years of experience with public companies, private equity portfolio companies, and other private companies to his clients as a Partner at CFGI. A Chartered Accountant (Fellow, ICAEW) and Certified Public Accountant (California), John's experience includes complex US GAAP and other accounting interpretations, CFO and interim CFO services, M&A post-merger integration and carve-outs, hyper-growth, going public readiness, de-SPAC transactions, turnaround, and other advisory work, often with international or global aspects, and in many industries. John is based in Southeastern USA and contactable at jkahn@cfgi.com*
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Reconnecting

By Ed Maier, *Former Andersen Partner*

When you worked at Arthur Andersen/Andersen, did you get to know anyone you really enjoyed working with? Someone with whom you may have established a friendship? Or someone who helped you with your career along the way? If so, as your career and life evolved, did you maintain contact with that person? Most of you would probably respond: "Yes, there was so-and-so. But I really have not seen or talked to them in many years since I left the Firm." Or "Since the Firm went away, I have lost contact with her or him".

Many of you receive my annual holiday greeting and message. You will remember that I often reach back to share lessons I continue to learn from one of my favorite books of all time, *A Christmas Carol* by Charles Dickens. In last year's message, I suggested that you might think about a relationship you had in the past. A relationship that you have not connected with in a long time. It could be a former colleague from the Firm, or at a former client. Or it could even be someone you knew outside of the Firm, but with whom you have lost contact. I encouraged you to reach out to that person to reconnect and rekindle it.

Many of you also receive messages from me throughout the year about colleagues and friends that we worked with who have become seriously ill or who have passed on. In recent days, I have shared a couple more of these sad messages. Often when I do so, as happened this time, I receive return acknowledgement from alums who thank me for making them aware of these events. In doing so, they frequently share stories or tidbits about their past relationships. Further, they often express melancholy or even sadness that they have not had contact with a particular individual since their working together at the Firm. Or even that they always wanted to reach out and thank the person referenced in the message, but never took the time to do so.

After I wrote last year's holiday message, I took my own message to heart. I did some research and reconnected with five former friends and colleagues. Four were people I had met through connection to the Firm and one was a college friend. These were people that I had not spoken to in as many as thirty years. But each of them was someone with whom I had a good, friendly relationship in the days when we were working regularly together or schooling together or just hanging around with each other. It was fun to reconnect with them and learn of their stories over the past many years. I even had the opportunity with two of them to have a face-to-face reconnection. We shared stories about families, work experiences, holiday gatherings, vacation trips. We laughed, sometimes to tears, at some of the experiences we had over these past years. It was fun and rewarding to do so.

Naturally, whether we reconnected just by email, or by telephone or face-to-face, we each promised the other to continue the connection or at least shorten the time span between the current conversation and any we would have in the future. I hope we can hold each other responsible and live up to that commitment.

Each of us, no matter what our personalities or backgrounds, has some need for these unusual or infrequent social connections and interactions. Yes, the more routine and regular connections of family, work colleagues, neighbors and friends generally fills most of our social needs. But the chance to remake a connection with a long-lost or long-past relative, business colleague, college buddy or neighborhood friend is frosting on the relationship cake. So I challenge each of you, as you enjoy your next favorite beverage of choice, to think about a few of these people with whom you have lost touch. Note them down and then, using your medium of choice—personal note, email, text, phone call--to take a step or two towards renewing one of those relationships.

Over the years, many of you have responded to my words in these articles with kind thoughts and thank-you messages. I appreciate every one of them. Please continue to share your thoughts with me. I would especially enjoy hearing any stories you have about past relationships with whom you reconnect.

And, if you want to read a little more of my thinking on various subjects, pick up a copy of my book, *Think Straight. Talk Straight.* on www.amazon.com. Thank you! And have great spring!

Vision: Are You Clear?

By Gary Thompson, *Andersen Alumnus and currently a Managing Director at Thompson Consulting*

In the last week, three firms have called about private equity offers or initial interest. I am often asked to consider how this could fit into the firm's strategy. When your firm is presented with the opportunity for growth through M&A or Private Equity, the real question is how it fits into your firm's vision.

Firm strategy and firm vision must complement each other a lot. You need to have clarity on why you want to go somewhere or even where you want to go.

When I work with accounting firms on these types of opportunities and partner retreats, I start by asking the managing partner, are your partners clear on your firm's strategy? They will typically say yes, for the most part. My next question is, are your partners clear on your firm's vision? And I often hear, "Well, it's on our website."

But that isn't what I am asking; I want to know if partners can tell me **what the firm's vision is and why.** The reality is very few can do that.

Clarity surrounding your vision.

Your entire team – from your leaders, partners, staff, and administrative teams to the C-suite – is responsible for articulating and expressing your firm's vision. This doesn't mean changes cannot be made; life happens!

The point is your decisions, and strategy should be based on a shared outlook to ensure a cohesive goal.

Why does having a clear vision truly matter? I'll tell you.

- It brings **clarity** to what you are doing.
- It allows you to **create** aspirations for the future.
- Enable entrepreneurs to **act.**
- It **empowers** people to dream big, present their ideas, and run hard once they have the "blessing" to do so.

Visioning a CPA firm requires you to grasp what's happening around you – in the industry and your firm and have a desire for a different future.

Visioning is about creating the future. There is no reason to embark on a planning process if there is no desire that the future will be any different than today.

What makes a great vision?

Exceptional organizations have an exciting, clear, and simple vision. It should honor and reinforce the organization's core purpose, but it also creates a picture of where the organization is heading and what it aspires to accomplish in the future. It's aspirational, almost dreamlike, simple, and compelling. It's the kind of statement that should make people want to be a part of your organization to pursue that vision. It should be bold and spark an emotional response. Most importantly, your vision must be CLEAR. If your partners, leaders, and staff members find it confusing, they won't be able to follow it and help drive the firm to its goals.

How can I help you bring clarity to your firm's vision and help answer these Private Equity calls and opportunities for M&A?

Feel free to reach out to me gary@thomsonconsulting.com

How To Take Care of Employees without Ping Pong Tables

By Jennifer Eggers, Andersen Alumnus and *Founder & President of LeaderShift Insights®*

There is no question that the market for talent is tough. If you've been trying to recruit great people, you know that it's not showing any sign of letting up. But as we level off from the pandemic chaos, we have reached an inflection point of what that means for CEOs and corporate leaders. The important question to be asking is: What can we do right now that will most effective to attract and retain the best talent?

You've heard what the tech companies did…game rooms, ping pong tables, and massages…but you also know where it got them. In Q1 of 2023 alone we saw over 121,000 layoffs at Twitter, Meta, Microsoft, Salesforce, Google and others. The very same "hip" companies that bought the ping pong tables. People there may have been having more fun at work, but clearly, it didn't translate to profits.

Creating a great place to work isn't rocket science, but it does require some real focus. Today's talent doesn't put up with lousy working conditions, so if you aren't' intentional about this and your competition is, they will walk. They will leave with institutional knowledge and leave you with higher recruiting and training costs.

You need to create a place where great people can contribute in a meaningful way. The good news is that you don't need game rooms, and taco Tuesdays. You get real, be intentional, and make meaningful investments in things that pay off in attracting and retaining great talent like:

- **Creating trust** - the last three years have seen a rise in working from home and job flexibility. Most employees want more freedom not less. Employers are reacting with stricter guidelines and monitoring software. Don't be pulled into this. Show your people you trust them by letting teams figure out what works best for them and let them self-direct to the degree it makes sense. Set clear expectations and monitor results, not the hours people work. If you don't trust your people, find people you do trust.
- **Developing people** – younger generations are not content to work for a paycheck and go home. They want to grow and develop. They want to make a meaningful contribution and learn more about what they are passionate about. It is perhaps counterintuitive, but if you provide development opportunities to make your people more marketable, they will have no reason to leave.

- Turning managers into leaders – McKinsey's "War for Talent" study, first done in the 90's, indicated that employees don't leave bad companies, they leave bad managers. Little has changed in that regard, yet it is surprising how few companies provide effective leadership development. This remains an afterthought in most places and there are still hundreds of programs that don't drive a penny of ROI or behavior change. Your job is to be judicious in selecting programs and designing opportunities that drive behavior change, deliver ROI, and promote new thinking around leadership, not just in theory but in practice.
- Expecting tough conversations – It is nearly impossible to make a meaningful contribution when it is not safe to have the tough conversations and "real issues" are not discussed and resolved. Creating an environment where dissent is not only welcomed but expected and it is safe to put tough issues on the table goes a long way to making people feel valued. You can't solve what you're not talking about. This is not so much about safety as it is about developing real skills in raising issues, inviting dissent, candid dialog, and creating business cases that make sense.
- Teaching people managers to have career conversations – Most managers get there by being great at something before they were a manager and precious few of them, even at director and VP levels, are good at helping direct reports figure out what is next for them, what it will take to get there, and what they need to do to build that. Engagement feedback is full of employees asking for career paths and help from HR to get to their next role. When they can't figure it out, the next recruiter that calls does. You can mitigate this by teaching managers to help their employees sort out what roles they might be a fit for, what skills they need to build, and what sponsorship and advocacy they need. Making this an expectation instead of an afterthought will give you a leg up on your competition for talent, particularly in large multinationals.

If you're ready to cut the lip service and want to figure out how to get intentional about doing meaningful things to keep employees, call us. It's what we do.

Jennifer Eggers is the Founder and President of LeaderShift Insights®, a firm with deep expertise aligning structure, people, and investments to drive strategy and increase leaders and organization capacity to adapt in the face of disruption. She is a former Partner with Cambridge Leadership Group, Vice-President, Leadership Development & Learning for Bank of America, and has held several other senior roles in Learning, Organization & Leadership Development at AutoZone and Coca-Cola Enterprises. She started her career with Arthur Andersen's Business Consulting Practice in Metro New York.

Your Grandpa's C-Suite: Improving Tech Fluency at the Top of the Organization; No board member or executive gets a pass on critical tech literacy

By Jim DeLoach, *Former Andersen Partner and currently a Managing Director at Protiviti*

In our hyper-connected world, just about every company is a tech company. As commerce and technology become increasingly intertwined, it's even more important for senior executives and board members to ensure they have basic technological understanding.

Research indicates there is a financial performance payback from a technology-savvy board. According to an analysis of the boards of U.S.-listed companies, those with boards of directors that have *at least* three technology-savvy members outperform other companies. These outperforming companies reported notably higher profit margins, revenue growth, return on assets and market capitalization. Note that "technology savviness" is defined as an understanding of the impact that emerging technologies will have on the industry and business model in the future.

It is also beneficial to have one or more individuals with deep technology expertise serving on the board or as advisers to the board independent of management. But the pervasiveness of technology suggests that *every* director should at least understand how technology enables the organization's strategy and business model as well as the implications of disruptive innovations to their industry. Bottom line, every director should be technology-engaged. No director gets a pass.

Likewise, senior executives should be similarly engaged. But one study reports that just 7% of large companies have digitally savvy executive teams. More important, the study notes that companies with digitally savvy leaders outperform peers on revenue growth and valuation by over 48%. Only 23% of CEOs are considered digitally savvy.

Technological fluency is important. According to another global survey, risk concerns for the next decade drive a stake in the ground on technology. The results of this survey indicate that the more significant risks for the next 10 years include the rapid speed of disruptive innovations enabled by new and emerging technologies outpacing the organization's ability to compete without significant changes to the business model.

Other top-rated risks relate to the impact of the changing workplace, the threat of new competitors, evolving customer preferences, the utilization of insightful data analytics, resistance to change and data privacy/cybersecurity. Technology is an underpinning to *all* of these risks. The focus on innovation and digital transformation to retain relevance has never been stronger.

Bottom line, it is a technology-driven world. Below are thoughts around improving technology fluency in the C-suite and boardroom.

Stay current with the evolving technology landscape

To stay abreast of technological developments, one approach is to bring outside experts into the C-suite and boardroom and invite them to keep the executive team and board apprised of technological trends. Alternatively, identify and lean on expert resources inside the organization – regardless of the function they are supporting.

When seeking guidance from advisers and insiders, insist on getting it in plain, practical terms. There are also many publications and subscriptions with strong technology content presented in relevant ways. Senior executives and directors should take the initiative to select the ones they find most useful.

Beyond the basics, it helps to view technology as a strategic enabler rather than a shiny object implemented for its own sake. Leaders should focus on the organization's long-term strategic goals and how technological innovation can help reach those goals. Strategic conversations should:

- Consider the capital deployment ramifications and the related upside opportunity.
- Understand how existing legacy technology in the organization might be an obstacle to the achievement of growth goals.
- Recognize the risks emerging technologies can pose – for example, the risk of improper algorithms and bias inherent in artificial intelligence (AI) – and ensure management has implemented mitigations to address them.

In the end, it is up to each executive and director to sustain their technology currency.

Check out Jim's website.

12 Cloud Cost Optimization Strategies to Maintain Your Cloud Budget

Shared By Jerry Kent, *Andersen Alumnus and currently Chairman and CEO of Tierpoint.*

With IT spending projected to keep increasing year-over-year, it's more important than ever for businesses of all sizes to implement effective cloud cost optimization strategies. However, developing and launching a strategic cost optimization plan isn't only beneficial in decreasing the amount of cloud computing dollars going to waste. Once deployed, over time, a successful process should also help:

- Maximize system performance.
- Identify and anticipate potential problems.
- Enhance end-user and customer experience.

Below, we'll explore the definition of cloud cost optimization, the differences between cost optimization and cloud management, and dive into a collection of best practices to maintain your cloud budget and optimize your cloud bills.

What Is Cloud Cost Optimization?

In a nutshell, cloud cost optimization identifies ways to reduce your overall cloud spend while maximizing the value of the cloud. Contrary to popular belief, this method doesn't just focus on cutting costs. Instead, it also works to confirm areas of cloud spending that correlate with productive and profitable processes, procedures, and activities and maximize cloud spend optimization.

Before developing an effective optimization strategy, it's pertinent to conduct an initial cloud cost management (or cost intelligence) audit to analyze cloud spend and identify areas for improvement, like mismanaged resources, cloud sprawl or inefficient processes. After the audit is complete, you can then use a combination of best practices, tools, and techniques to develop and implement helpful optimization strategies.

Cloud Cost Optimization vs Cloud Cost Management

When it comes to cloud cost management vs. cloud cost optimization, you can't have one without the other. Rather than put one up to bat against the other, both processes must work together as a team.

Cloud cost management involves issuing, monitoring, reporting, and tracking cloud spend. Cloud cost optimization then uses those insights to understand how to maximize cloud value while cutting unnecessary costs. As you see, both processes go together. The intel granted by cost management and cloud monitoring initiatives is critical to building the foundation for an effective budget-saving and optimization plan.

12 Cloud Cost Optimization Strategies To Maintain Cloud Budget

Now that the overview of cloud cost optimization is out of the way, are you eager to start designing your plan? Here are 12 cloud cost optimization strategies to help you maintain your cloud budget and decrease your cloud bills.

1. Monitor Compute Resources And Rightsize Infrastructure

Proactively conduct a cloud audit to understand your spending and review all active and idle instance types. With this information on hand, you can develop a plan to:

- Refine your spending patterns
- Consolidate applicable computing functions onto fewer instances
- Rightsize your cloud infrastructure to suit your business's needs

2. Rightsize Computing Services

Considering there are so many instance sizes to choose from, it can be difficult for cloud administrators to correctly size instances. Rightsizing tools can be used to analyze and modify your computing services to efficient sizes and offer change recommendations across instance families, as well as optimize servers for storage capacity, graphics, memory, and more. Rightsizing not only helps reduce cloud costs, but also enables better cloud optimization and enhances performance.

3. Watch And Review Cloud Usage, Analytics and Costs Regularly

Like a utility bill, cloud usage and fees can fluctuate depending on a few factors, such as changing needs or seasonality.

Without proper insights and analytics, it can be difficult to understand which resources are most often consumed by who, identify unused resources, or accurately forecast spend.

Luckily, cloud monitoring and cloud analytics tools can be incorporated into your system to give you a deeper level of insight. These tools provide real-time dashboards and reporting that help you identify troublesome areas that may cause…

- Overspending
- Resource underutilization
- Issues down the road

4. Identify and Maximize Software Licensing Spend

Recurring software license fees are a big contributor to operational expenses (OpEx); and considering there are so many scattered across your on-premises infrastructure and cloud platforms, they can be tough to keep up with. Even one untracked and unused license could cost your company a chunk of change. With that, it's important to use proper tools for asset tracking to identify and maximize your software spend.

5. Adopt A FinOps Framework

A cloud financial operations (FinOps) framework optimizes an organization's cloud to maximize business value.

Developing and implementing FinOps is critical to ensure the entire business – from DevOps to Finance teams—works collectively and feels empowered to make informed decisions that:

- Elevate business value
- Drive the right business outcomes
- Streamline product progress to benefit customers more quickly, among others

Additionally, operating with a FinOps framework builds an internal culture of cost awareness, which can encourage cost savings across individual teams.

6. Try Using A Heat Map

Heat maps are helpful tools that create visualizations of peaks and valleys in computing. With these visual reports readily available, it's easier to identify the start and stop times to help reduce IT spend. For example, with this information, you may discover it's safe to create an automation that shuts down a development server from 2 am – 5 am on certain days of the week to optimize costs.

7. Decrease Cloud Sprawl

As with that streaming service you haven't gotten around to canceling, many organizations forget to eliminate services they no longer use within their cloud strategy. You can use cloud monitoring to achieve better cloud visibility that will help lessen your overall cloud sprawl. You could also consider setting up an internal process that outlines when it's time to decommission cloud resources or shut down workloads that are no longer needed to prevent unnecessary cloud spending.

8. Identify Proper Storage Options

When you get down to it, there are many cloud storage products on the market, and the right storage type will vary depending on whether you are managing a public cloud, private cloud, hybrid cloud, or multi-cloud.

In general, cloud storage options fall into three categories:

1. Object storage
2. File storage
3. Block storage

When selecting your cloud storage option, make sure you've chosen an access (how often you need to access the files) and performance (how fast you obtain access or read and write access to a file) tier that can meet your needs while helping reduce cloud costs.

9. Pause Idle Clusters

When using a cloud data warehouse, if applicable, consider pausing idle clusters that are not in use. For example, when running AWS Redshift clusters, you're paying to use compute nodes even when your clusters aren't actively in use. Within Redshift, there's a pause and resume product feature that easily allows you to minimize costs associated with idle clusters.

10. Use Policies and Rules

You can create (or use pre-built) policies and rules to enforce cost governance, such as:

- Set up allowed VMs and restrict expensive VMs or supercomputers
- Block resources from being created
- Define allowed storage types that can be created on the account

11. Set Up Autoscaling to Automate Cloud Cost Optimization

Certain cloud services, like Microsoft Azure, provide features that allow users to easily scale up and scale down resources according to your needs. By configuring autoscaling within your cloud, you can ensure you're paying for the right amount of resources that match your performance needs, and nothing more or less. Essentially, with this Azure cost optimization tactic you don't have to overprovision to allow for spikes and only scale when you need to.

12. Use Reserved or Spot Instances

Organizations can save thousands by opting for cost effective on-demand resource alternatives, like reserved instances in AWS, spot instances or other AWS cost optimization best practices.

Accounts that commit to using AWS for one or three years are eligible for their reserved instances discount program, which can result in savings of up to 75% vs on demand.

Companies that use spot instances, on the other hand, have the potential to save even more. However, there are a few caveats that accompany spot instances: they won't result in cutting costs for all workloads, prices can fluctuate, and they're best suited for workloads that last a very short amount of time.

In either case, no matter what instances you choose to use, it's crucial to do your due diligence: look at your past usage and look to the future to determine which option is best for your needs and will help you stay within your cloud budget.

Designing A Successful Cloud Cost Optimization Plan

There are dozens of strategies you can incorporate into a cloud cost optimization plan, and the above 12 are best practice suggestions to help you get started. As you build your plan, remember that no one strategy is a one-size-fits-all solution. After all, what may be applicable for one organization may not necessarily be beneficial to implement for yours.

Feeling a little lost? If you need direction when putting together your cost optimization plan, consider working with a cloud provider with a focus area on optimizing IT spend across different types of cloud environments.

How TierPoint Can Help Maintain Cloud Budget And Optimize Costs

Leveraging a managed cloud provider like TierPoint who can help with tools and recommendations means you can better forecast your company's usage and plan effectively. At TierPoint, we provide a consolidated view of both managed AWS and managed Azure resources in a single dashboard that offers visibility into both resources and usage. We also have AWS and Azure engineers and architects on-staff who can provide guidance on what adjustments can be made to achieve cloud spend optimization.

Need help building your cloud cost optimization plan? Get started here.

Resiliency Will Be the Watchword in 2023

By Eric Clark, *Andersen Alumnus and Chief Executive Officer, Americas, NTT Ltd.*

As we head into a more uncertain economic period, it is understandable that many of us – employees and leaders alike – will be feeling somewhat unsettled.

It's no secret that businesses can be exposed to more risk during unpredictable times. However, it is also important to remember that this is precisely when our clients need us the most.

Last year, NTT ran its second annual Innovation Index survey. The findings showed that while nearly two thirds of businesses are concerned about a negative operational impact over the next two years, less than a quarter are prepared for disruption.

Encouragingly, the study also showed that organizations have high confidence in their partners to help keep them safe, become more profitable and plan for disruption and agility.

And so 'resilience' will be the watchword in 2023. As businesses prepare for potential challenges and instability, new opportunities for leadership, growth and innovation are emerging. In the midst of uncertainty, one thing holds true: companies that address their customers' needs the best will be the ones to accelerate.

Organizations that can do this while staying ahead of the technological curve, treating digitalization as a top operational priority, and most importantly, holding their nerve when focusing on creating long-term value, will be the ones to come out stronger on the other side of a challenging economic period.

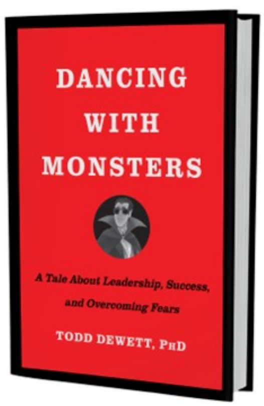
If organizations can reframe their way of thinking about the current uncertainty and approach it as a time of learning and opportunity rather than a series of obstacles to be overcome, I believe that growth for the most agile and innovative is not only possible but highly likely.

After all, as Franklin D. Roosevelt – who became president during the depths of the Great Depression – once said, 'a smooth sea never made a skilled sailor'. So, while all boats may rise during times of economic prosperity, the leading contenders are forged in the storm.

New Book Release Written by Andersen Alumnus Todd Dewett Phd., Dancing with Monsters: A Tale About Leadership, Success, and Overcoming Fears

Author Bio: Todd Dewett Phd., *Andersen Alumnus, author and speaker*

What do facing your fears, leadership, and success have in common? They require us to view ourselves with honesty and to view others with empathy and respect. We all face a variety of monsters – hurdles of all shapes and sizes. But you can learn to see the beauty in the monster. That's when you start to build the confidence needed to face the normal risks associated with learning and success. Don't fear the challenges and imperfections, whether in yourself or others. It's time to stop denying, avoiding, or denigrating them. It's time to go dancing with monsters.



Dancing with Monsters is the new leadership fable by Dr. Todd Dewett, available on Amazon or wherever you buy books. You'll meet Maria and Noah – two young professionals striving for personal happiness and professional success. You will also meet Joe Vampire and his merry crew of misfit monsters. They just want to believe in themselves and to be the very best monsters they can be. It's a story within a story that pushes you to face your fears and grow, while highlighting a few leadership best practices along the way.

Dancing with Monsters is published by Matt Holt Books, part of BenBella Books, and distributed by Penguin Random House.

Dr. Todd Dewett is one of the world's most watched leadership personalities: a thought leader, an authenticity expert, best-selling author, top global instructor at LinkedIn Learning, a TEDx speaker, and an Inc. Magazine Top 100 leadership speaker. He has been quoted in the New York Times, TIME, Businessweek, Forbes, and many other outlets. Todd has delivered over 1,000 speeches to audiences at Microsoft, ExxonMobil, Pepsi, Boeing, General Electric, IBM, Kraft Heinz, Caterpillar, and hundreds more. Visit his home online at www.drdewett.com or connect with Todd on LinkedIn. He can be reached at todd@drdewett.com

Riding the Waves of Change

By John Blumberg, *Andersen Alumnus and author of Return On Integrity (www.BlumbergROI.com)*

History was never my favorite subject. Maybe because, so often, it was memorizing a lot of dates and places of events I had never experienced. I did enjoy the stories, yet perhaps only to later realize that they were told with great certainty while from a limited perspective. And then there is, of course, the perspective from which history is shared and the perspective from which it is received.

I sometimes wonder how history will be told about our years. I suppose much of that will depend on whom it is told by. It doesn't take much imagination in today's divided sea of opinions, beliefs, and perspectives that various versions could easily emerge. There will be historical amounts of documented information and misinformation to sort through. Maybe that has always been relatively true for anyone who has tried to sort through history to talk about it.

History is an odd and complex element.

Yet, at the same time, there is great wisdom in some version of the warnings of history repeating itself, such as, "those who don't know history are destined to repeat it." Or maybe more importantly "those that fail to learn from history are doomed to repeat it." As fragile, and possibly suspect, as the stories of history may be, they hold within them warnings for a future they have never known or experienced.

And if the elements of history are odd and complex, what could that possibly say about the intricacies of understanding something so unknown as the future. Maybe a healthy place to start could be accepting the fact that "future" is always a mystery. That's what makes it both terrifying and beautifully hopeful all at the same time.

Through my years, I have often said that the "good old days" are always seen as the "good old days" simply because they *are known* and most importantly *have been survived* by those thinking of them as the "good old days." It's a mixture of illusion and reality all intertwined. The future is a different mix all together. The future invites you into the *unknown*. It is a beckoning call into *uncertainty* while never actually taking you there. Instead, it offers you a gift.

The opportunity to prepare in the present.

It seems, back in the good old days, a specific organizational change was thought about for a long time, talked about forever, and then finally implemented with the idea it would last for a couple decades. Earlier this year ChatGPT was introduced – the artificial intelligence (AI) chat app that fell into the general public's hands last November but hit the tipping point of public awareness about two months ago. And it hit with the intensity of a tornado in what seemed to come out of nowhere. (If you've been living under a rock somewhere and haven't heard about it, you can simply go to https://chat.openai.com/chat and see for yourself. I think you will be amazed if you try it out – especially when you realize that this is like the AOL "You've Got Mail" version of this.

But, unlike the "good old days," it was thrown into the hands of the general public with an attitude of "well, let's see what happens!" A bit like, well, let's roll the dice! It's hard to get your head around both the potential and the unintended consequences. It's like mixing "awe and wonder" with "terrifying" all into one path forward.

Yet, as always, the future offers the opportunity to prepare in the present.

I decided to ask ChapGPT (after all, who "better" to ask!) to name 10 things that might be experienced in a significantly different way in the future. This is what it offered.

1. Work: With the rise of automation and remote work, traditional office jobs may become less prevalent, and work may become more decentralized and project-based.

2. Transportation: The advent of self-driving cars and electric vehicles may revolutionize transportation and make it more sustainable and efficient.

3. Health care: The use of artificial intelligence and personalized medicine may make healthcare more efficient, affordable, and effective.

4. Education: Online learning and digital technologies may transform education, making it more accessible and personalized.

5. Energy: Renewable energy sources such as solar and wind may replace fossil fuels as the primary source of energy, leading to a cleaner and more sustainable environment.

6. Housing: The rise of modular and sustainable housing may change the way we build and live in homes, making them more affordable and eco-friendly.

7. Entertainment: Virtual and augmented reality may transform entertainment, creating immersive experiences that blur the line between the digital and physical world.

8. Food: The development of lab-grown meat and vertical farming may transform the food industry, making it more sustainable and reducing the environmental impact of animal agriculture.

9. Socialization: Social media and digital communication may continue to shape the way we connect and interact with others, leading to new forms of socialization and community building.

10. Politics: The rise of digital technology and social media may transform politics, making it more democratic and participatory, but also more polarized and prone to misinformation.

I then asked ChatGPT to name 5 things an individual can do to best position themselves to experience it well. Here is what it advised.

1. Learn new skills: With the changing job market, it is important to stay current and develop new skills that are in demand.

2. Stay informed: Keeping up to date with technological advancements and global trends can help individuals anticipate and prepare for changes in their industry.

3. Embrace change: Being adaptable and open-minded can help individuals navigate and thrive in a rapidly changing world.

4. Build a network: Networking and building relationships with others can help individuals stay connected and find new opportunities in a changing job market.

5. Take care of yourself: Maintaining physical and mental health can help individuals stay resilient and adaptable in the face of change.

I'm sure you could add your own ideas to either list. Maybe not as fast as ChatGPT did since it created this list in less than 45 seconds!

I would add that integrity seldom resists change. It guides the transformation.

There is no doubt that change is inevitable. And with change comes some pain. The need to be intentionally grounded, while at the same time flowing with the change will be more important than ever. We are simultaneously amid monumental change on several fronts. To ignore it, resist it or deny it will bring great suffering. And at the same time, to creatively begin to prepare in the present may very well bring more awe and wonder than you could ever imagine.

As always, I'd love for you to share your thoughts! We could all benefit, if you would be so kind to share your thoughts email me at John@BlumbergROI.com!

Wait…Important Changes to My LinkedIn Profile Skills Section?

By Wayne Breitbarth, *Andersen Alumnus and CEO-Power Formula LLC (Author of "The Power Formula for LinkedIn Success: Kick-Start Your Business, Brand and Job Search')*

LinkedIn's Skills profile section has been rather confusing from its inception, but they've been improving it over the years. With the latest feature changes, you now have complete control over the section, which could have a significant impact on your business and career.

Because LinkedIn has made at least a dozen revisions to the Skills section over the ten years of its existence, we can assume this section is fairly important in the overall scheme of how LinkedIn works and, most importantly, in the way the critical search ranking algorithm works. I can't prove it, but I don't think LinkedIn would spend this much time and effort unless it really matters.

Speaking of LinkedIn changes, have you kept up with all the changes available for your LinkedIn company page? I will be covering many LinkedIn company page changes and strategies at my next virtual workshop on Monday, April 24, [Optimize Your LinkedIn Company Page & Effectively Market Your Business.]

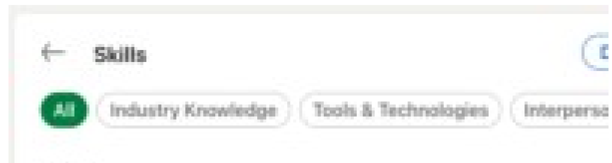
How to optimize your Skills profile section

To help you make the most of your Skills section, I will give you some overall strategies for capitalizing on it, in addition to discussing the updated, new, or revised features. Implementing these strategies will help the viewers of your profile better understand how you can help them, and the result will be great new relationships that should lead to improved business and career success.

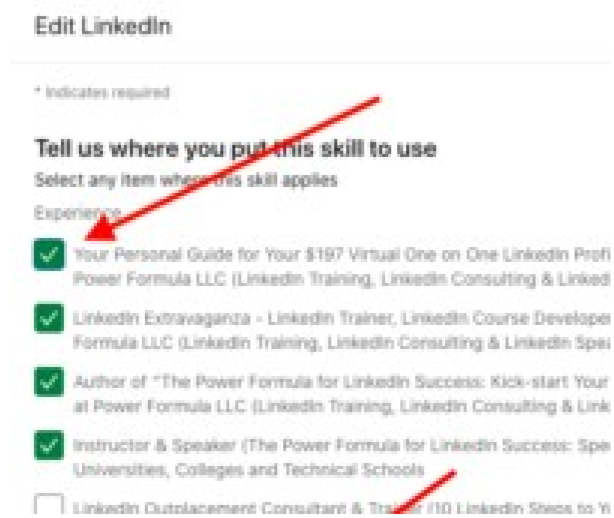
1. **You can only receive endorsements from first-level connections and for skills you have acknowledged you possess.** If you receive a pending endorsement notification from LinkedIn saying, *John Jones wants to endorse you for basket weaving*, don't say *yes* if you aren't a good basket weaver or don't want basket weaving listed as a skill in your Skills section.

2. **You can manage them.** Scroll down to the Skills section of your profile, and then you can:

Add any skills that show what you're good at from a professional standpoint. If your job duties include sales, add keywords that relate to the products and services you sell. After you click "+" in the top right of your Skills section, type a skill in the box. LinkedIn will then suggest other skills based on the words you put in the box. If those skills are part of your skill set, be sure to add them to your list of skills.



Attach a specific skill to a specific job experience entry. Just click the pencil on a specific skill, and then you can check off which of your job experience entries you would like that skill attached to and displayed below that Experience section entry. This is the newest change and looks to be a very important one.



Delete a skill. Click the pencil icon in the top right corner of your Skills section, and then click the pencil on a specific skill listed that you want to delete. Next, click *Delete skill* in the bottom left in the specific skills box, and it's gone–along with any endorsements of that skill, of course.

Reorder your skills. This feature enables you to reorder your most important skills to the top of your Skills section, providing greater visibility and credibility for you. Simply click the three dots on the top right of your Skills section, and then click the up-down icon. You can then "drag and drop" to rearrange all your skills in the order of importance.

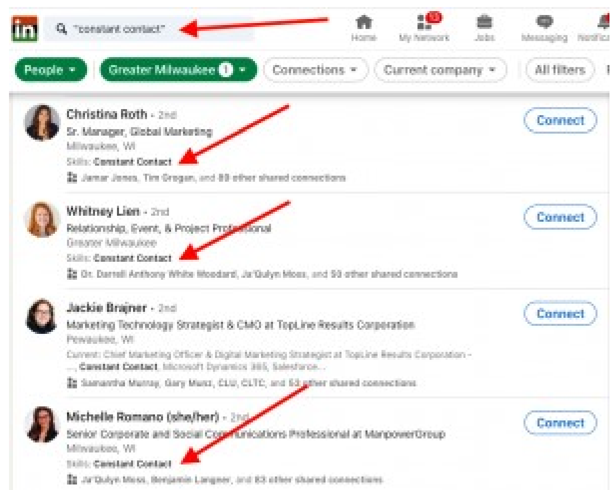
Because you can now put your best skills at the top of the list, your connections will be more likely to endorse you for those skills–and soon they'll be the most endorsed skills on your profile. This will help you get closer to the top of the search results when people search for those skills.

Choose (1) whether or not you want to be endorsed, (2) whether you want LinkedIn to suggest endorsements to your connections, and (3) whether you want suggestions for endorsing your connections. Click the three dots in the top right-hand corner of your Skills section. Then select *Endorsement settings* on the bottom of the page to revise your settings. I recommend choosing *Yes* for all three settings.

3. **You can be endorsed for up to 50 skills.** These skills are essentially keywords, and LinkedIn and other search engines love keywords; so I would use all 50 slots if you have keywords that would help people find you.

4. **You don't have to endorse everyone who endorses you.** If you want to endorse them, go ahead, but don't feel obligated to do so.

5. **I'm pretty sure endorsements and the skills they attach to are part of the LinkedIn search algorithm.** LinkedIn doesn't publicize its algorithm, but, as I mentioned previously, my guess is that skills are an important part of it, because LinkedIn doesn't invest this much time and effort into something that isn't going to help their top-line revenue. They are making a lot of money on their Recruiting Solutions product, and they obviously think this feature helps them deliver the "best" candidate for a certain skill ("best" meaning most endorsed).



6. **List skills that are important and consistent with your current or future business strategy.** The skills you include, especially the ones you pin and move to the top of the other categories, should be important for you on a moving forward basis—and these may not be the same skills that have been historically important for you.

Also, don't worry about putting new skills in the top three spots. You may not have any endorsements for them yet, but you'll get them over time.

7. **You might get someone's attention if you endorse him/her.** Your face and name may appear on the person's profile, and LinkedIn will also send the person a message saying you just endorsed him or her.

8. **Endorsements may be the differentiator.** If two profiles look similar in all respects but one has 120 endorsements for the skill you're looking for and the other has only 20, you will probably be inclined to choose the person with 120.

9. **Endorsements are great, but LinkedIn recommendations are still important.** I recommend you get at least three recommendations, because LinkedIn now displays them very prominently and in full on your profile. This is especially important if you're a job seeker. Great recommendations will increase your credibility—and the more the better.

You should now be ready to impress readers of your profile with your specific skills and affirmation of those skills by LinkedIn members—and greater visibility and credibility are sure to lead to increased revenue or a great new job.

SPECIAL OFFER To learn about terrific company page changes, address the mistakes you're making, and formulate a specific strategy for your company page, be sure to check out my April 24 virtual workshop *Optimize Your LinkedIn Company Page & Effectively Market Your Business.*

Interested in becoming a Sponsor?

Andersen Alumni Association is proud not to charge annual alumni dues and relies rather on strategic sponsorship to fund operations. Given advances in technology and alumni mobility Andersen Alumni Association is seeking a few additional qualified sponsors. If you think your company may benefit from a strategic partnership with the Association, please email Admin@andersenalumni.com for more information.

ALUMNI BENEFITS:

Andersen Alumni Association and the Private Directors Association© Align to Drive Membership Value

PDA is providing a 20% discount on corporate or individual membership for Andersen Alumni Association members* To take advantage of this discount, contact PDA directly at membership@pcdassociation.org or (847) 986-9350

BENEFITS FOR ALL MEMBER TYPES

- Complete your Private Company Governance Certificate at no additional charge.
- Access to board opportunities to match board-ready PDA members with start-up and scale-up companies for fiduciary and advisory board roles via PDA's partnership with Bolster
- National network of peers engaged in events focused entirely on private company issues, both locally through our 21-chapter system, as well as virtually via webinars and online resources.
- Monthly e-newsletter
- Complimentary subscriptions to "Directors & Boards" and "Private Company Director".

CORPORATE FULL BOARD MEMBERSHIP ONLY

- Complimentary director or advisor search with an enhanced posting approach, supporting faster process with highly qualified candidates.
- Complimentary in-boardroom Ransomware Preparedness and Response session (a $10,000 value) to PDA Corporate qualified members.
- Dedicated "CISO on Call"

- 30% discount on all additional PDA University Director Education products designed to enhance private company value through high functioning boards.

Visit www.privatedirectorsassociation.org to learn more, or visit us on LinkedIN

*15% going to the alumni members as a direct membership discount and 5% to the Andersen Alumni Association organization

Medicare Medical Savings Accounts (MSA)

Andersen Alumni Association has partnered with Medicare Caddy to provide our members with a NO COST TO YOU Medicare insurance expert to help you optimize the Medicare benefits available - wherever you live. Medicare Caddy, LLC is a licensed insurance agency that only works with existing or soon-to-be Medicare beneficiaries. Medicare Caddy KNOWS the Medicare course and is a leader in providing educational programs about the unique benefits of Medicare Medical Savings Accounts (MSAs) as well as other Medicare Advantage, Medigap and Part D Prescription Drug Plans.
Greg O'Brien is Managing Principal of Medicare Caddy, LLC. Based in Atlanta, GA, Medicare Caddy is a licensed insurance agency specializing in all forms of Medicare related insurance. Medicare Caddy has helped hundreds of people evaluate Medicare options and enroll in the plans that optimize their Medicare benefits.
Greg can be reached by email at greg.obrien@medicarecaddy.com , phone 404.821.1886 or visit https://www.medicarecaddy.com/medicare-msa/AndersenAlumni

Long Term Care – Insurance Coverage

70% of Americans over 65 will need some form of long-term care. And that care will be expensive. According to a recent survey, the cost for long term care can currently range from $48,000 a year for home care to $98,000 a year for a private room in a nursing home; and costs are increasing every day. Planning for these expenses with long term care insurance can help you maintain your lifestyle, protect your assets and savings, and give you the options necessary to receive care and services.

BPB Associates of Atlanta has been helping families like yours with their extended health care planning needs for 33 years and has negotiated special discount carrier pricing for Andersen Alumni members. Click here for more information: www.bpbassociates.com/andersenalumni/LTC

International Travel – Medjet Assist
Medjet provides reduced annual rates for its Air Medical Transfer membership program on a voluntary purchase basis to North American members affiliated with ***Andersen Alumni Association***. Medjet provides single point coordination for the safety and protection of organizational clients and individuals/families as they travel for personal or business reasons - domestically and abroad. Zero cost beyond the membership fee for services coordinated by Medjet in medically transporting a member back to a home country hospital of their choice in time of need.

Medjet also offers an optional membership upgrade branded as Medjet Horizon that provides (among multiple membership benefits) a 24/7 Crisis Response Center for **Travel Security and Crisis Response** consultation and coordinated in-country services.

Learn More/Enroll? Persons from the U.S., Canada or Mexico can visit Medjet at www.Medjet.com/Andersen or call Medjet at 1.800.527.7478 or 1.205.595.6626. Reference Andersen Alumni if calling. Enroll prior to travel.
Reduced Medjet annual membership rates for persons from North America under age 75 start at $250. Multi-year and short-term rates are also available. Rules and Regulations available online and provided with Member ID cards.

Social Media: Association's LinkedIn Group (Join), Company (Follow) and Facebook Fan Page (Like)

Social Media is a great way for us to stay connected. To request the Association Status be added to your LinkedIn Profile click on the following URL to JOIN: http://www.linkedin.com/e/gis/38306/6E0CB25BC94E
Additionally, you can "FOLLOW" the Association by clicking on the following URL:
http://www.linkedin.com/company/andersen-alumni-association?trk=tabs_biz_home
To "JOIN" our new Facebook fan page simply click on the following:
http://www.facebook.com/pages/Andersen-Alumni/182112725168442