



WINTER 2019

# People Issues – Sleep Better Tonight by Curing the “Yeah Buts”

Written  
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Entrepreneurs often say, “People Issues are complicated.” Are they?

It’s true that dealing with People Issues is hard, but the Issues themselves are simple. If you’re lying awake at night wondering whether Bill in Accounting should stay or go, you need only ask two questions:

1. Is he a Right Person? In other words, does he fit our Culture? Does he share our Core Values?
2. Is he in the Right Seat? Does he GWC (Get it, Want it, have the Capacity to do it) his seat on the Accountability Chart?

If the answer to both questions is “yes,” go back to sleep. If not, put a plan in place to resolve the People Issue. Bill needs to know he’s “below the bar,” and he needs to be given a chance to elevate himself above the bar in short order. If he can’t, Bill needs to exit.

“Yeah but,” I can hear some of you thinking, “He’s really good at his job. Do

I really need to exit him for not sharing our Core Values?”

“Yeah but,” others are saying, “We don’t pay him much.” Or, “We’ll never find someone to replace him.” Or, “He’s had some personal problems.” Or, “It’s almost Christmas, or Easter, or Arbor Day.”

While all of those thoughts and rationalizations may be accurate, you’re likely just complicating the Issue and postponing the inevitable. And to make matters worse, you’re the only person suffering under the weight of the decision. Bill isn’t lying awake at night worried about his job – he thinks he’s got you fooled. Bill’s frustrated co-workers aren’t worried – they know exactly what they’d do if they had the chance.

Your customers aren’t worried – if Bill keeps screwing up their invoices they’ll just take their business elsewhere.

People Issues are hard, but they’re not complicated. Use the People Analyzer to simplify a People Issue today. Put a plan in place to resolve it, and follow-through. Stop the, “Yeah Buts.” I guarantee you’ll sleep better tonight.

If you would like to learn more about the EOS® process and how it could benefit your business, please contact our firm at 910-323-3100.

*From time to time, our newsletter may feature articles relating to EOS®. What is EOS you ask? EOS®, the Entrepreneurial Operating System, is a complete set of simple concepts and practical tools that has helped thousands of entrepreneurs get what they want from their businesses. By mastering this simple way of operating, leadership teams of growth-oriented companies systematically and permanently improve.*





# Every Business Needs Cash!

## 5 keys to better cash management

Focusing solely on sales and profits can create a surprise for any business when there is not enough cash to pay the bills. Here are five key principles to improve your cash management.

1. Create a cash flow statement and analyze it monthly. The primary objective of a cash flow statement is to help you budget for future periods and identify potential financial problems before they get out of hand. This doesn't have to be a complicated procedure. Simply prepare a schedule that shows the cash balance at the beginning of the month and add cash you receive (from things like cash sales, collections on receivables, and asset dispositions). Then subtract cash you spend to calculate the ending cash balance. If your cash balance is decreasing month to month, you have negative cash flow and you may need to make adjustments to your operations. If it's climbing, your cash flow is positive.

**Bonus tip:** Once you have a cash flow statement that works for you, try to automate the report in your accounting system. Or even better, create a more traditional cash flow statement that begins with your net income, then make adjustments for non-cash items and changes in your balance sheet accounts.

2. Create a history of your cash flow. Build a cash flow history by using historical financial records over the course of the past couple of years. This will help you understand which months need more attention.
3. Forecast your cash flow needs. Use your historic cash flow and project the next 12 to 24 months. This process will help identify how much excess cash is required in the good months to cover payroll costs and other expenses during the low-cash months. To smooth out cash flow, you might consider establishing a line of credit that can be paid back as cash becomes available.

4. Implement ideas to improve cash flow. Now that you know your cash needs, consider ideas to help improve your cash position. Some ideas include:
  - a. Reduce the lag time between shipping and invoicing.
  - b. Re-examine credit and collection policies.
  - c. Consider offering discounts for early payment.
  - d. Charge interest on delinquent balances.
  - e. Convert excess and unsold inventory back into cash
5. Manage your growth. Take care when expanding into new markets, developing new product lines, hiring employees, or ramping up your marketing budget. All require cash. Don't travel too far down that road before generating accurate cash forecasts. And always ask for help when needed.

Understanding your cash flow needs is one of the key success factors in all businesses. If your business is in need of tighter cash management practices, now is the perfect time to get your cash flow plan in order.

If you would like assistance with your cash flow plan, please contact our firm at 910-323-3100.



# Around the Office

## Welcome Janet Carter!

We are excited to introduce Janet Carter who has joined our sales and marketing team as Sales Director. Janet, a native of Michigan, has been working in Fayetteville and surrounding areas for many years and brings over 30 years of sales and marketing experience to our business. Janet is also a graduate of Methodist University with a Bachelor of Science degree in Business Administration.



Recently, Janet has been employed for 17 years with Merck & Co, in pharmaceutical sales as an Executive Sales Representative. Her passion and enthusiasm for helping clients with the right products and services for their business as well as the customers they serve is what Janet loves about working in sales.

Janet is happily married to her husband Max and loves music and singing, enjoys spending time around the pool and going to the beach! Bring on flip-flop season!

## Welcome Dayna Santana!

We are happy to welcome Dayna to our Small Business Services team. Originally from Florida, Dayna moved to Fayetteville in 2017 with her husband who is currently stationed at Fort Bragg. Dayna comes to our firm with over 10 years of experience in nonprofit accounting and 2 years in governmental accounting. She received her Bachelor of Science in Accounting from the University of South Florida and is currently completing her Master's degree in Business Administration online with Florida International University. When away from the office, she enjoys spending time with her husband and their two dogs.



## Welcome Rachell Stephens!

Rachell, a Jamaica native, recently moved to Fayetteville in 2017 with her family. She attended The University of the West Indies, where she obtained her Bachelor of Science degree in Accounting. We would also like to congratulate Rachell on recently passing the CPA exam. Rachell believes that in life sometimes we win, and all the other times we learn since losing is definitely not an option. In her spare time, she enjoys reading, playing with her kids, travelling and counselling her friends.



## Introducing Carson Dowd!

Please congratulate our office manager, Casie Dowd, on welcoming her second son, Carson, into the world!

Carson is now 7 months old and loves his big brother, carrots and rubber ducks. We love seeing his smiling face when he comes to visit the office and can't wait to watch him grow!



## Jingle & Mingle

During December, the staff of McFadyen & Sumner celebrated the holiday season at our annual company Christmas party. We came together to enjoy excellent food, an exciting raffle and a lovely firm-themed Christmas Story from our very own Mr. McFadyen.





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## *Trouble Sleeping? Read more inside.*

**WITH AN EXTRA  
DEPUTY PUNCHING THE  
CLOCK, WHAT WILL WE DO  
ABOUT PAYROLL  
PROCESSING?**

**CALL THE  
MAN.**



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businesses and individuals improve their financial situation. If you would like to discuss the many ways our firm can help you or your business, please call us at 910-323-3100. We would also like to hear from you if you have comments or suggestions for On the Money.

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