



Cultivating Value

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Thoughts From Tom

The most important part of any business is its people. In order to be successful in today's competitive global environment your work force must be motivated, trained, focused and happy. The art of management, which has typically been seen by small business owners as "soft" or "unproductive", must now be an essential part of the fabric of companies who are seeking to grow and reach their full potential.

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Our Managing Director



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is the Managing Director of the Vineyard Group, LLC. An experienced executive and advisor, business valuation specialist and litigation support expert, he has twenty years of consulting and public accounting experience along with ten years in senior management positions with manufacturing companies. As a result, Tom has the unique blend of experience, skill, vision and understanding required for handling the complex challenges that today's professionals and businesses are constantly faced with.

In addition to being a Certified Public Accountant and a Certified Valuation Analyst, Tom holds the exclusive designation of Certified Forensic Financial Analyst. He is a member of the New York State Society of Certified Public Accountants, the American Institute of Certified Public Accountants and the National Association of Certified Valuation Analysts.

The Non-Cash Path to Employee Motivation

Encouraging your employees to perform well doesn't necessarily require offering cash incentives. Non-financial motivators can also be effective tools.

Say Thank You

Be generous with individual thanks and praise for achievements. Simply taking the time as often as warranted to thank employees for a job well done can positively impact employee morale and future performance. Expressing generalized gratitude to the entire company or a department may not be nearly as effective as consistently commending individuals for their specific performance. A face-to-face thank-you from the employee's immediate superior is preferable. When that's not possible, a personal note or e-mail may substitute.

Give Public Recognition

Outstanding individual performance also merits visible recognition within your company. That may take many forms — a newsletter article, a company-wide e-mail, a bulletin board posting, an announcement at a meeting, etc. You may want to reinforce the general recognition with an inexpensive award, such as a gift certificate.

Welcome Suggestions

If you are open to considering suggestions from employees, make your interest in receiving ideas known — and actually use some of them. That way, you'll reinforce that your company values employees' ideas. When a suggestion has been adopted and proves successful, spreading the news within your company can leverage satisfaction well beyond the individual who suggested the change.

Enhance Job Appeal

Work assignments and job responsibilities can also be motivators. If you structure jobs and responsibilities so employees have some authority to act independently in order to achieve the results you expect, you make the jobs more appealing and encourage employees to take ownership of their work.

Offer Flexible Scheduling

If job schedules can be adjusted to better fit employees' personal needs, the work environment becomes more satisfying than it would be with more rigid scheduling.

"Be generous with individual thanks and praise for

Business Briefs: Productivity Peaks on Tuesdays

Employees are generally the most productive on Tuesdays, according to 57% of the senior executives responding to a recent Accountemps survey of the 1,000 largest U.S. companies. The other weekdays ranked far behind: Monday 12%, Wednesday and Thursday 11%, and Friday 3%. And "don't know" accounted for 6% of survey responses.

Ensuring adequate cash flow is a key small business concern. However, budgeting and forecasting tend to be neglected. Only about half of the small businesses surveyed late last year by an American Institute of Certified Public Accountants subsidiary use budgets or forecasts to help manage their companies.

Growth in automatic 401(k) plan enrollment. According to a recent Hewitt Associates survey of 190 mid- to large-size U.S. companies, 44% now offer automatic plan enrollment, 30% are very likely to offer it in 2008, and 27% are somewhat likely. In Hewitt's 2007 survey, 36% of the respondents offered automatic enrollment. Also, the new survey found that 44% of the responding companies include a form of contribution escalation in their 401(k) plans.

**VINEYARD
GROUP, LLC**



Cultivating Value...Seedling to Harvest

Managing Business Risks

Every successful business deals with the ever-present uncertainties of generating profits in a competitive market. But other risks to your company also require attention -- including fire, vandalism, theft, a personal injury lawsuit, and many more. Effective management of such risks requires both:

Loss control -- actions and practices that will minimize the likelihood of experiencing harmful events and

Insurance protection -- buying appropriate coverage to limit financial harm when losses do occur.

On-the-job Injuries

To control your company's risk of on-the-job injuries and workers' compensation claims, train your employees to recognize and report hazards that may lead to falls, excessive lifting, slipping, tripping, etc. And train your supervisors to recognize and correct unsafe behaviors. Investigate all injuries to learn how to prevent recurrences. Create written emergency plans for fire, accidents, power loss, etc., and conduct practice drills. Prepare for accidents and injuries by having some employees receive Red Cross training in CPR and first aid.

Liability

To lower the risk of liability claims associated with your business liability insurance, regularly check for and eliminate potential hazards inside and outside your premises that may result in slip-and-fall accidents and other injuries to customers and visitors. Make sure that all employees who interact with the public know how to respond to an injury.

To limit the risk of management or coworkers violating employees' legal rights, learn the rules governing hiring and employment practices and apply them impartially and consistently. Conduct training so that your staff is up to speed on the sensitivities regarding various types of discrimination and harassment. Also, thoroughly evaluate all job candidates to screen out those who are likely to engage in risky behaviors. Background checks and preemployment drug screening can go a long way to this end.

Fire Loss

To minimize the risk of fire and reduce the damage if one occurs, train your employees to respond appropriately to all fire hazards. Require that combustible materials be safely stored. Have your heating system inspected periodically. And regularly check your alarm system, fire extinguishers, and smoke detectors.

Disaster

To counter the risk of business disruption due to a disaster, make a detailed plan for resuming operations after fire, flood, explosion, or wind damage, or another major emergency. Make sure all employees know the plan and their roles in it. Also consider making a reciprocal, advance agreement with a company that would be willing to share their facilities temporarily.

Theft Loss

To limit the risk of business theft, make sure your premises have secure doors and locks. Keep exteriors well lit. Consider installing an alarm system connected to the police or a private security company. Lock cash in a safe, and limit the amounts allowed in cash registers. And take steps to develop strong internal accounting controls.

Obtaining the insurance coverage you need at an affordable price will be easier if you actively manage risk to reduce claims.

Controlling Insurance Costs

Insurance can be a major expense. Here are some suggestions that can help keep premiums reasonable.

- Review your policy annually. Changes in your product mix, manufacturing processes, materials, and other factors that underwriters use to assess liability risk may favorably affect your premium -- if you make your insurer aware of them.
- Equip all company vehicles with alarms and other safety devices. Use only drivers with good safety records.
- Ask for and follow loss prevention recommendations from your insurance company. Fewer claims and, thus, lower rates may eventually result.

Management Advisory Services

Corporate Vision and Planning ▪ Efficiency and Profitability Analyses ▪ Culture Change and Communication Systems ▪ Quality Systems and Continuous Improvement ▪ Operational, Financial and Administrative Management Systems ▪ Special Projects

Litigation Support Services

Damage Claims ▪ Breach of Contract ▪ Wrongful Termination or Death ▪ Shareholder or Partner Disputes ▪ Business Interruption ▪ Business Valuations ▪ Pretrial and In-Court Consulting ▪ Mediation and Settlement Structuring

Fraud Deterrence and Investigation

Strengthening of Internal Controls to Reduce the Risk of Fraud ▪ Investigation of Possible Fraudulent Activities ▪ Periodic Monitoring of Financial Information ▪ Developing Corporate Compliance and Fraud Prevention Programs ▪ Evidence Gathering ▪ Expert Reports and Testimony

Ownership Transition Services

Business Valuations ▪ Mergers and Acquisitions ▪ Buy or Sell Business ▪ Strategic Alliances ▪ Long Range Transition Planning

Emerging Business Services

Business Plans ▪ Debt and Equity Financing ▪ Virtual Executive Services

