



ADAPT & RECOVER:  
**MOVING FORWARD  
TOGETHER**  
WEBINAR SERIES



SESSION SEVEN

August 28, 2020 | 11:00 A.M. ET

## ➤ Housekeeping Items

- The webinar will be recorded and shared as soon as it is available via email
- Today's materials will be shared in the chat box and are available on RKL's Business Recovery Resource Center at [rklcpa.com](http://rklcpa.com)
- All lines are muted
- NASBA CPE requirements – in order to receive CPE for this webinar:
  - Participants must be connected to the session (both audio and presentation) for its entirety
  - Participants must answer three questions/elements of engagement
  - One (1) hour of CPE in the field of business law will be granted if you meet these requirements

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# ➤ Meet Your Team for Today's Presentation

## Client Recovery Journey: Q&A with Roush Yates Engines



**WALT GOODFIELD** | *Chief Business Officer, RKL eSolutions*

Walt has sold, implemented and supported ERP software for over 25 years in leadership roles at industry-leading publishers like Sage, Infor and Aptean. Currently, he's the Chief Business Officer at RKL eSolutions, driving revenue growth through customer acquisition, customer advocacy and strategic business partner alliances.

## PPP Update



**RYAN HURST, ASA** | *Partner, Business Consulting Services Group*

Ryan is a Partner in RKL's Business Consulting Services Group and an in-demand transaction consultant. Ryan's areas of expertise include advising clients on buying and selling businesses; succession planning; conducting valuations for a variety of transactions and structures; litigation support for shareholder disputes; and strategic alternatives analyses.

## Is Your Organization Ready for Digital Transformation?



**DAVID CIESLAK, CPA.CITP, CGMA, GSEC** | *Chief Cloud Officer, RKL eSolutions*

As Chief Cloud Officer, David leads a team of technology consultants that assists organizations in assessing and selecting cloud-based business process automation solutions for accounting and finance. He is a Sage Intacct Certified Consultant, a Salesforce.com administrator and holds the GIAC Security Essentials Certification. David is frequently tapped by state accounting societies and business groups as a speaker and advisor on the latest technology solutions.

# POLLING QUESTION

***To be eligible for CPE, 3 polling questions must be answered.***

## ➤ Introducing Todd English



Todd English is Vice President of Marketing and Strategic Partnerships for Roush Yates Engines, a position he has held since 2013. In this role, Todd has responsibility for all aspects of the company's marketing, branding, social media, community engagement, and strategic partnership development. Todd and his team also develop marketing and social media content to promote Roush Yates Manufacturing Solutions.

Since joining the company in 2007, Todd has held a number of positions within the organization. Among these, he led the implementation of Mass 500 in 2009 to diversified projects for the military/defense to utilize power, performance, and reliability of Roush Yates Engines – developing V6 engines for military armored cars and upgrades to Humvees. Todd has a deep experience in sales, marketing and manufacturing as well as process engineering for optimizing material flow and traceability. He also serves on the Roush Yates Engines' Executive Team, where he is responsible for evaluating various expansion and acquisition projects.



Todd grew up in Jamestown, North Carolina and obtained a Bachelor's degree in Industrial Distribution Engineering and an Executive MBA from Western Carolina University in Cullowhee, NC.

# POLLING QUESTION

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# PPP UPDATE

## > PPP Update: <5% Shareholders

- Owner-employees with **<5% ownership in a C or S Corporation** are not subject to the owner-employee compensation rule
  - They are treated as employees, not owner-employees
- Recall, there are more onerous compensation limits for owners than there are for employees

Lesser of...	8-Week Covered Period		24-Week Covered Period	
	Owner-Employee	Employee	Owner-Employee	Employee
\$100,000 annualized compensation limit	\$15,385	\$15,385	\$20,833	\$46,154
	OR		OR	
Proration of 2019 compensation if <\$100,000 annualized	≤ \$15,385		≤ \$20,833	



## ➤ PPP Update: Related Party Rents

- Related party rents are eligible but are capped at the amount of the mortgage interest owed on the property during the covered period attributable to the space rented by the borrower
  - No double counting of the rent and the mortgage interest of the related party
  - Related party includes any ownership in common between the business and the property owner
  - Mortgage interest paid to a related party is not eligible for forgiveness
- Leases must also have been in place by 2/15/2020

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Intended to create parity between businesses that own real estate in the operating company versus those that hold the real estate in a related entity or by an owner individually

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## ➤ PPP Update: Other

- Tenant or sub-tenant expenses of the PPP borrower are not eligible for forgiveness
  - The sub-lease income offsets the rent expense or mortgage interest paid
  - For example, \$10,000 rent expense or mortgage interest less \$2,500 sub-lease income (for 25% of space sub-leased) = \$7,500 forgivable rent expense
- Borrower may only include home-based business covered expenses that were deductible on the borrower's 2019 tax return or expected for 2020 if a new business

# POLLING QUESTION

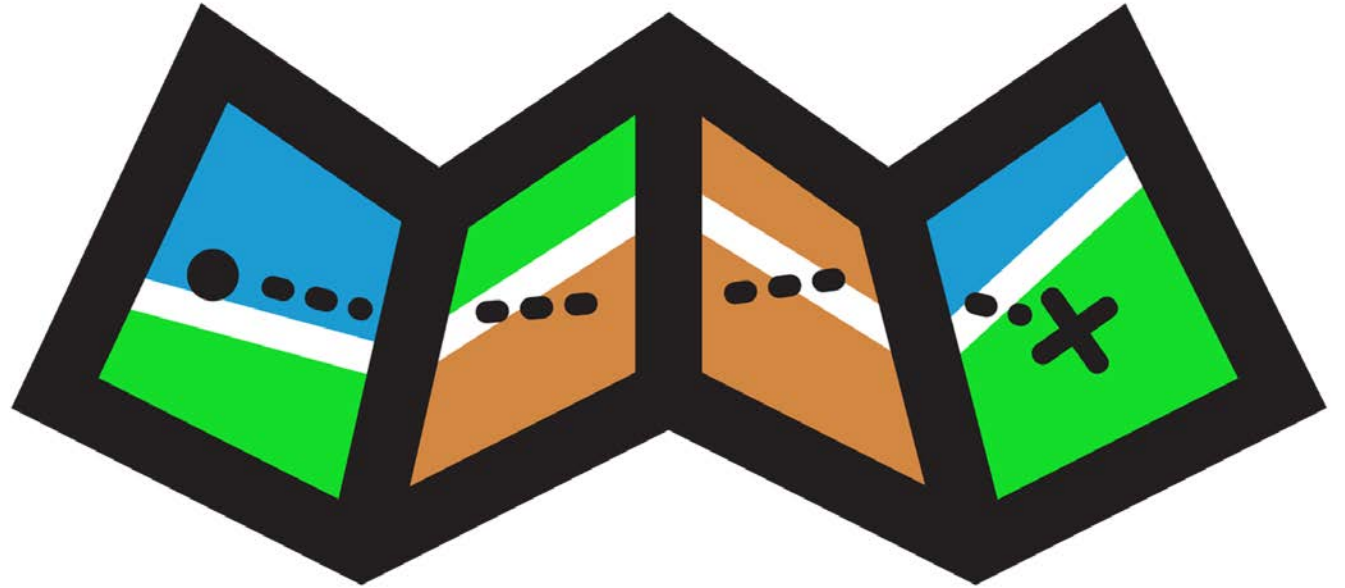
***To be eligible for CPE, 3 polling questions must be answered.***

# DIGITAL TRANSFORMATION

IS YOUR ORGANIZATION READY FOR THE “NEW NORMAL?”

# Map

- Case for Change
- Organizational Change
- People
- Process
- Technology
- Summary





# Drivers of change in a digital world

- Institutional and systemic
- Globalization
- Geopolitics
- Regulation
- **COVID-19**

- Social
- Demography

- Market
- Consumer empowerment

- Technology
- Constantly emerging new technology
- Democratization

There are many factors affecting accounting and finance professionals. Have you planned for **the Future of Finance**?

## ➤ Business challenges

- Legacy infrastructure
- Disparate, proprietary systems
- Unstructured and disparate data
- Manual processes
- Frameworks and standards

# ➤ What is Digital Transformation?

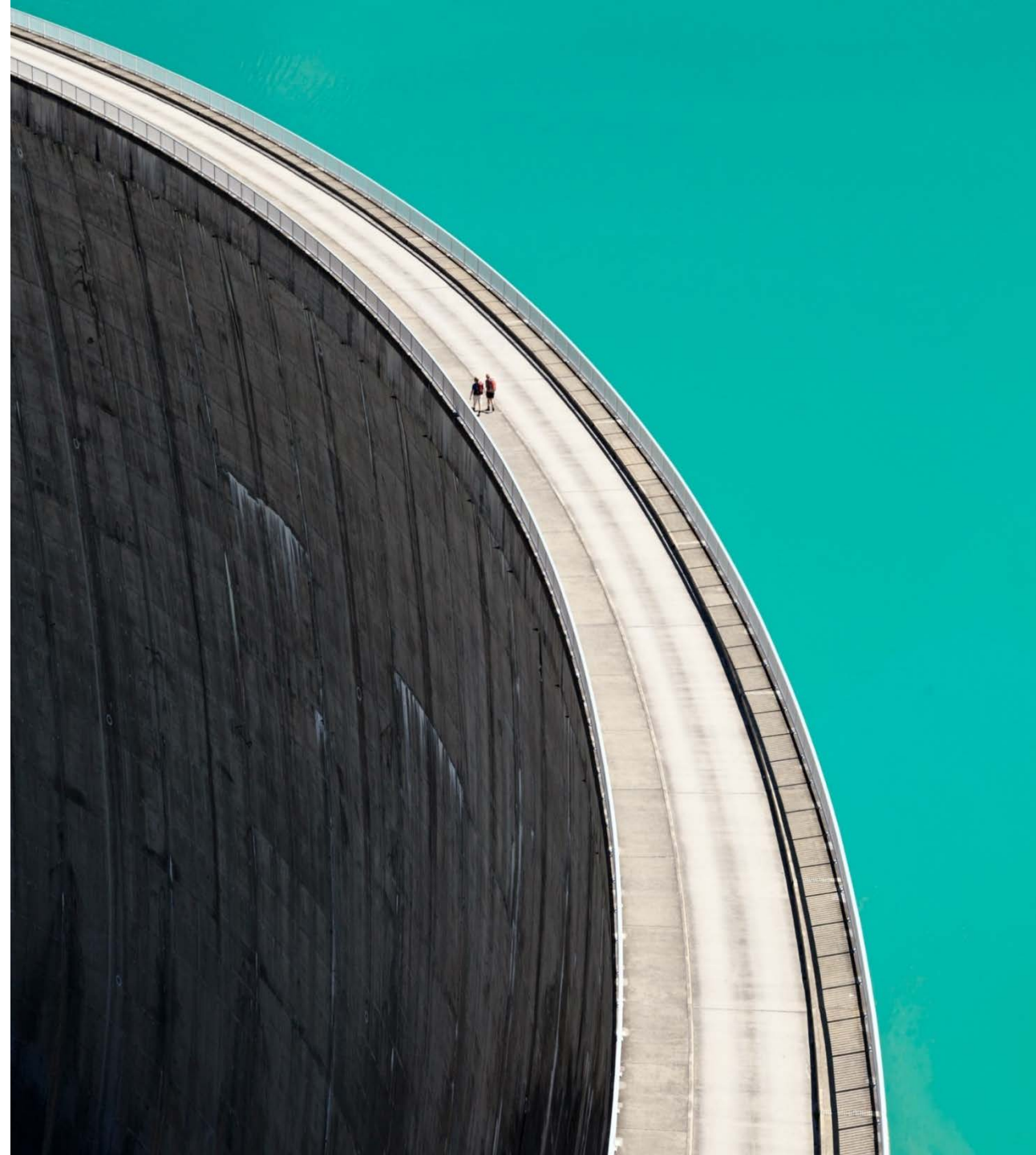
Digital Transformation (DT or DX) is the use of new, fast and frequently changing digital technology to solve problems.

One of the examples of digital transformation is cloud computing. It reduces reliance on user owned hardware and increases reliance on subscription based cloud services.

Some of these digital solutions enhance capabilities of traditional software products (e.g. Microsoft Office compared to Office 365) whilst others are entirely cloud based (e.g. Google Docs).

# Creating a vision for the future

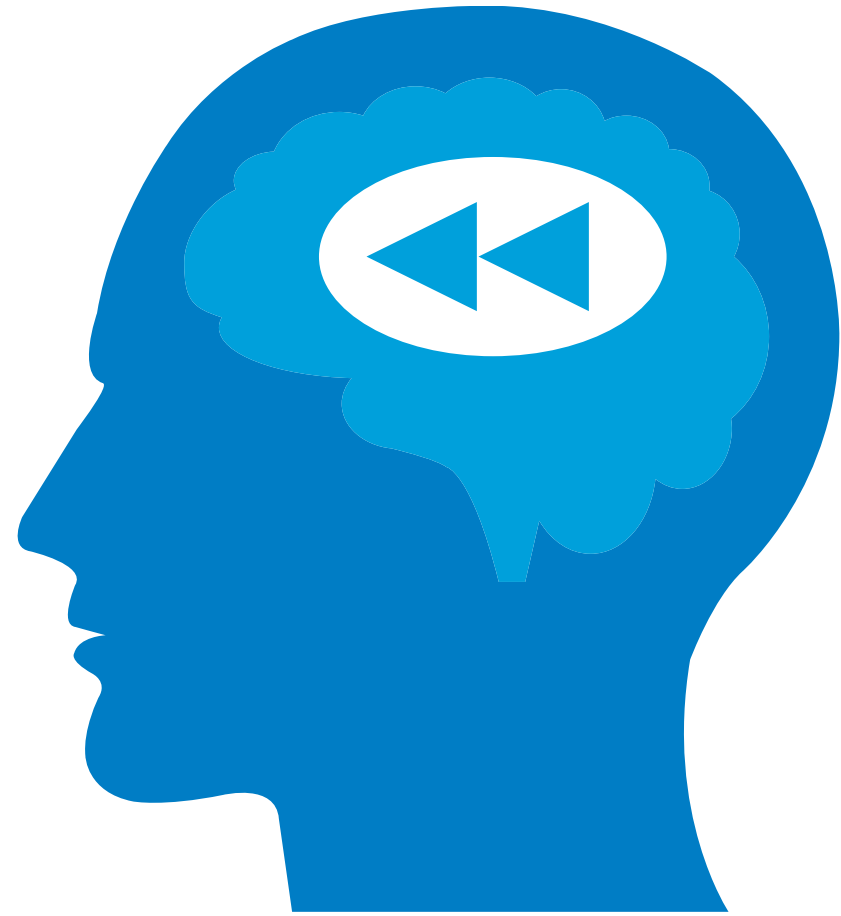
- Decide where you want to be
- Define your roadmap
- Identify your methodology



# Decide where to be in 2025

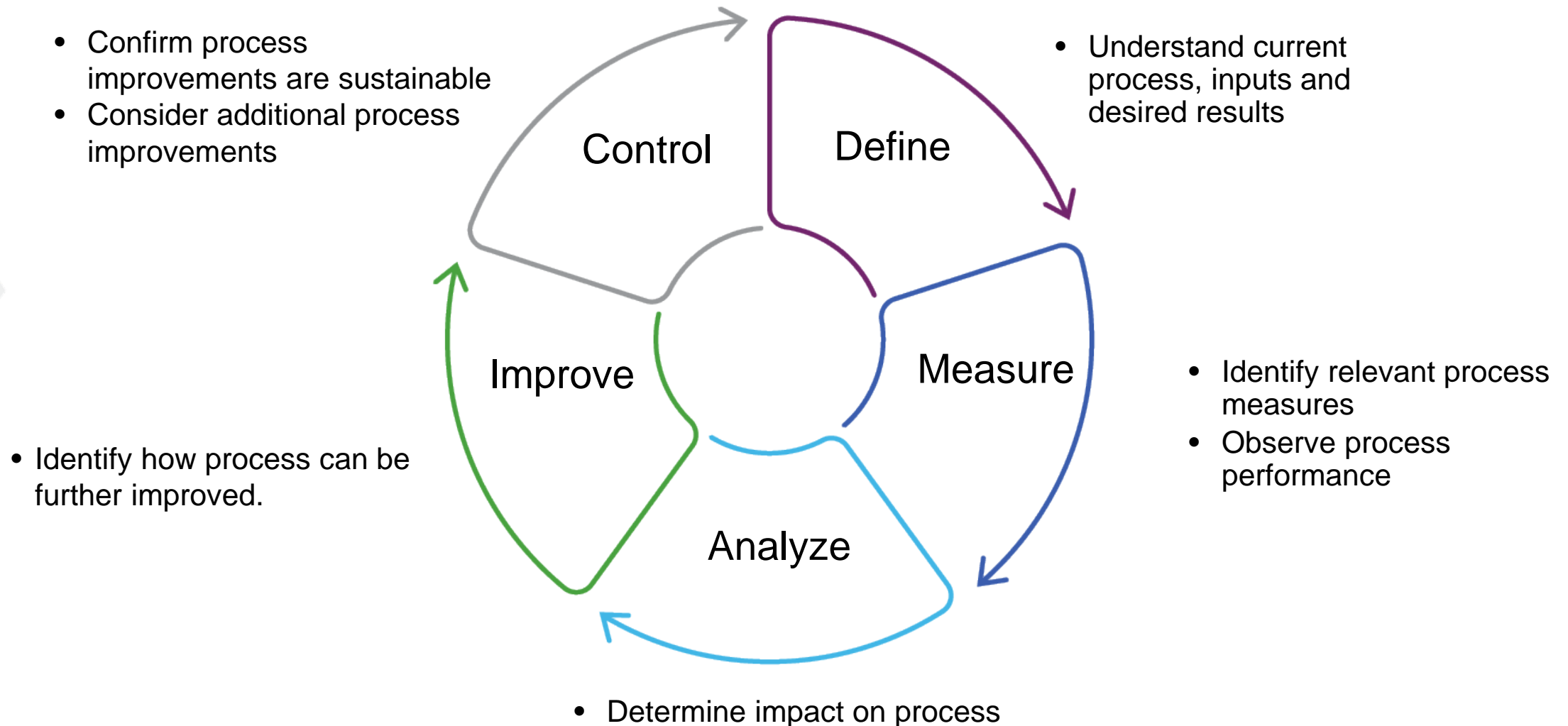
Imagine backward from the ideal

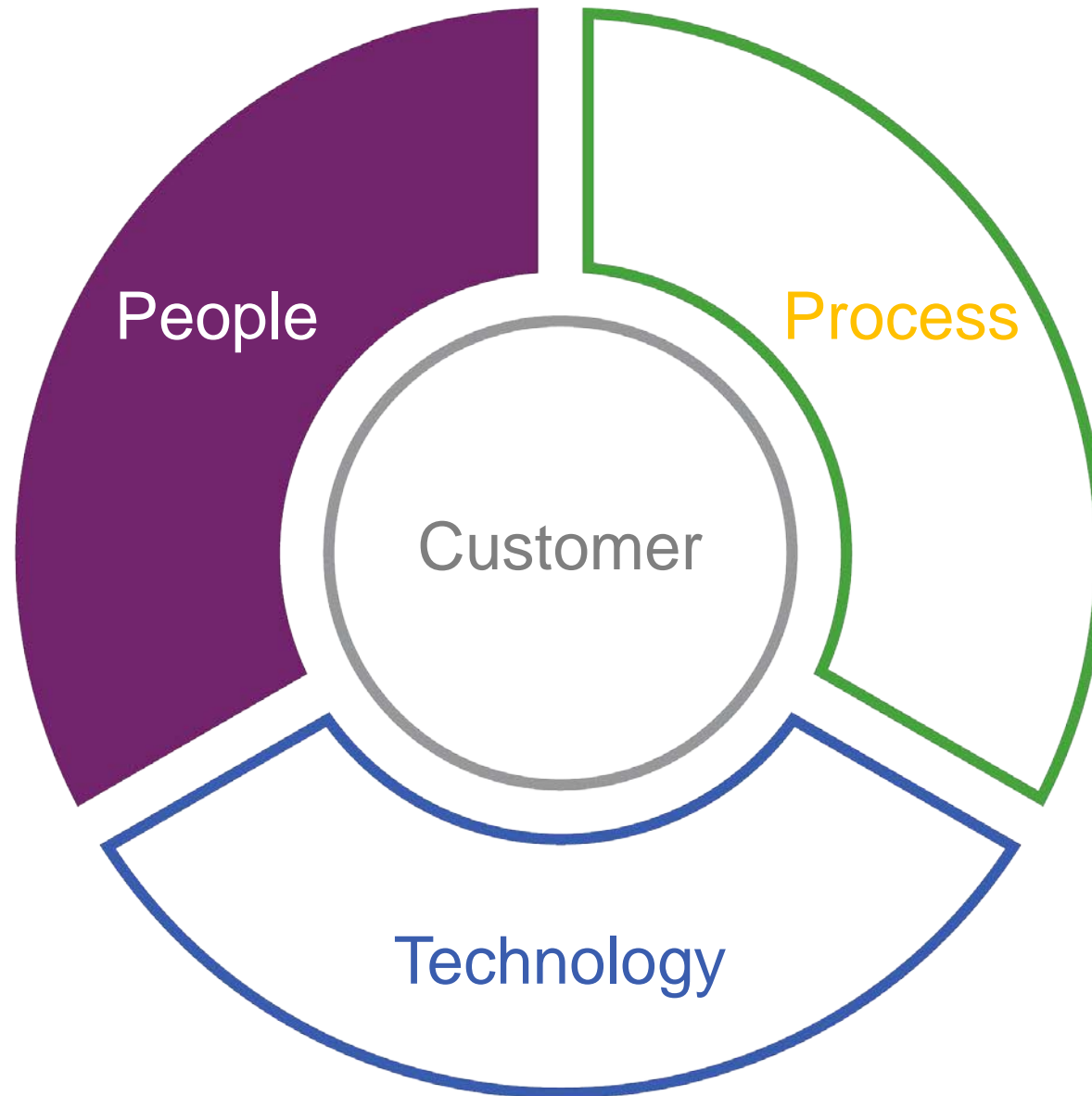
- What is the perfect solution?
- Create the roadmap to get there.





## ➤ Identify methodology





## ➤ Evaluation and expectation of change

- Resistance to a “culture of change” can doom projects and the organization
- Benefits
  - Reduced employee turnover
  - Improved productivity
  - Balanced pace of change

## ➤ The “digital culture”

- Focuses on embracing the following:
  - Technology and innovative solutions
  - Internal integration
  - Value of data
  - External integration
  - Real-time and predictive forecasting

## ➤ Change management

- Change is gradual
- Address potential concerns
- Exaggeration of “fear factor”
- More important is creating a culture that can embrace digital



# Top 10 skills in 2020

New skill sets will be needed

- 1 • Complex problem-solving
- 2 • Critical thinking
- 3 • Creativity
- 4 • People management
- 5 • Coordinating with others
- 6 • Emotional intelligence
- 7 • Judgment and decision-making
- 8 • Service orientation
- 9 • Negotiation
- 10 • Cognitive flexibility

Source: World Economic Forum

# Top 3 skills gaps

1

Business partner (business acumen, behavior, leadership)

2

Data and analytics (data modelling, data science)

3

Business solutions architect (integrates functional and IT solutions)

# Impact on existing roles

## Roles

- Shared services teams
- Finance operations
- HR operations
- IT operations
- Marketing operations, etc.

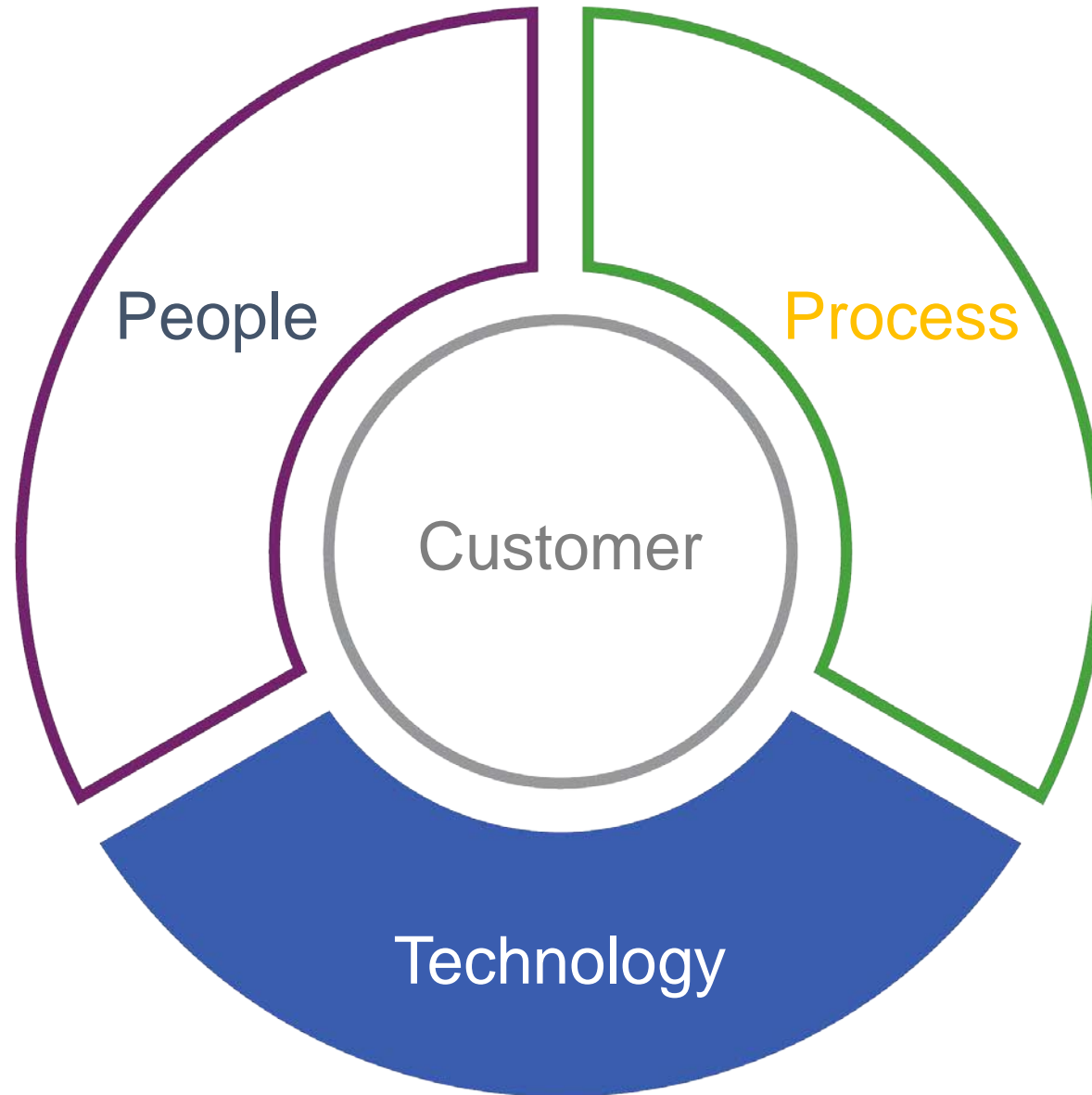
### Today

- Understand existing processes
- Work in silos
- Limited insight
- Extracting data

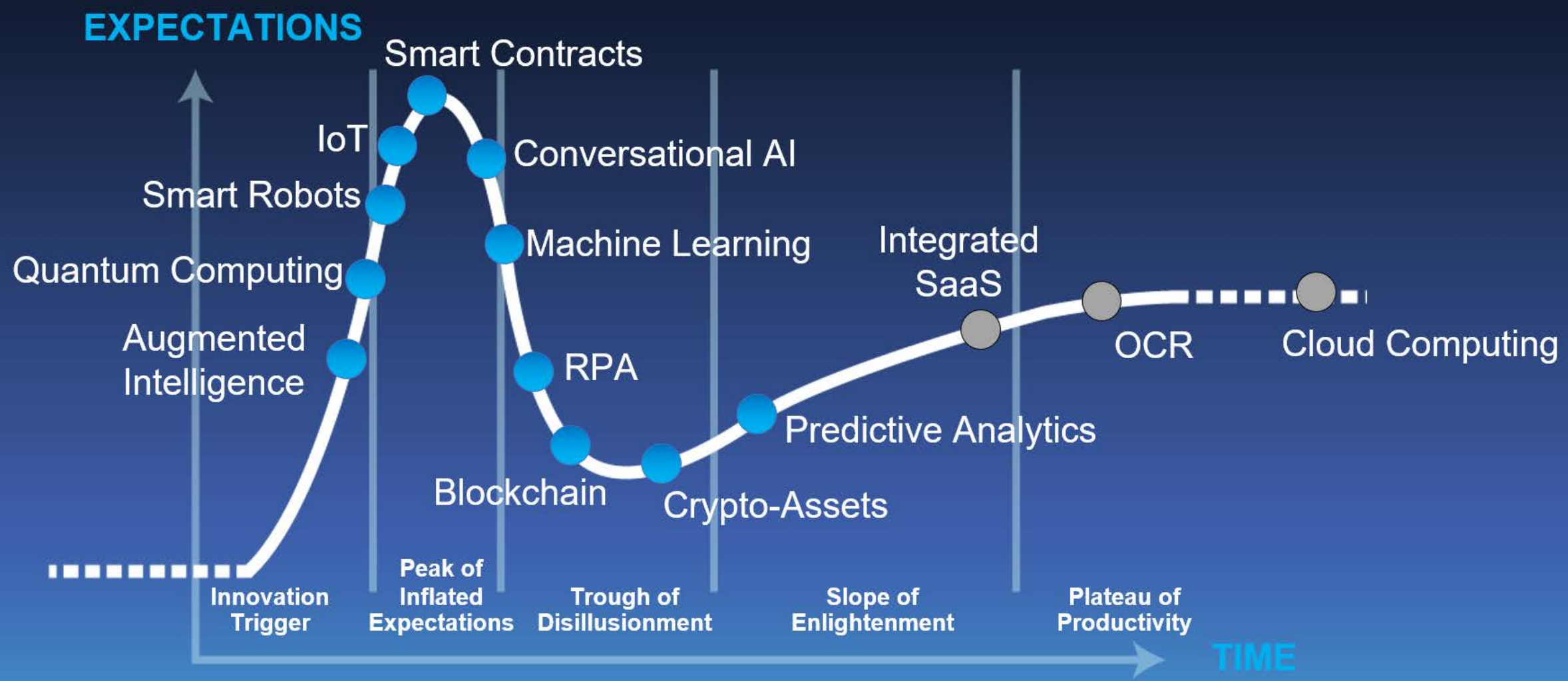
- Reskill
- Relearn
- Perform higher level tasks
- Focus on customer

### Tomorrow

- Finance business partner
- Advisory services
- Business intelligence
- Business solutions architect
- Solves challenges
- Operating at higher capacity

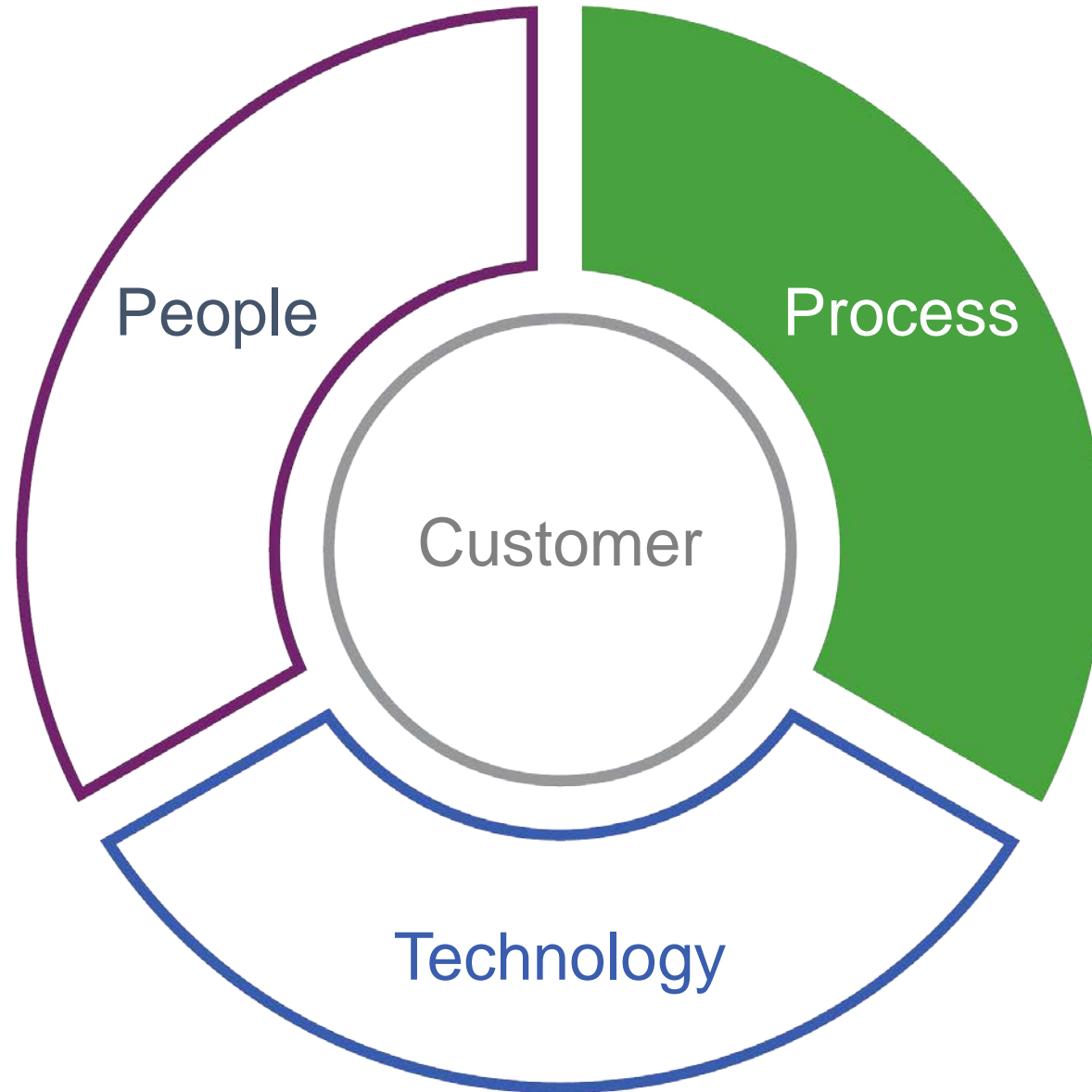


# CPA.com Accounting Profession Megatrends, 2020



Source: 2020 CPA.com Identified Megatrends Plotted on the Gartner Hype Cycle Framework





# Implications of technology on future of:



30

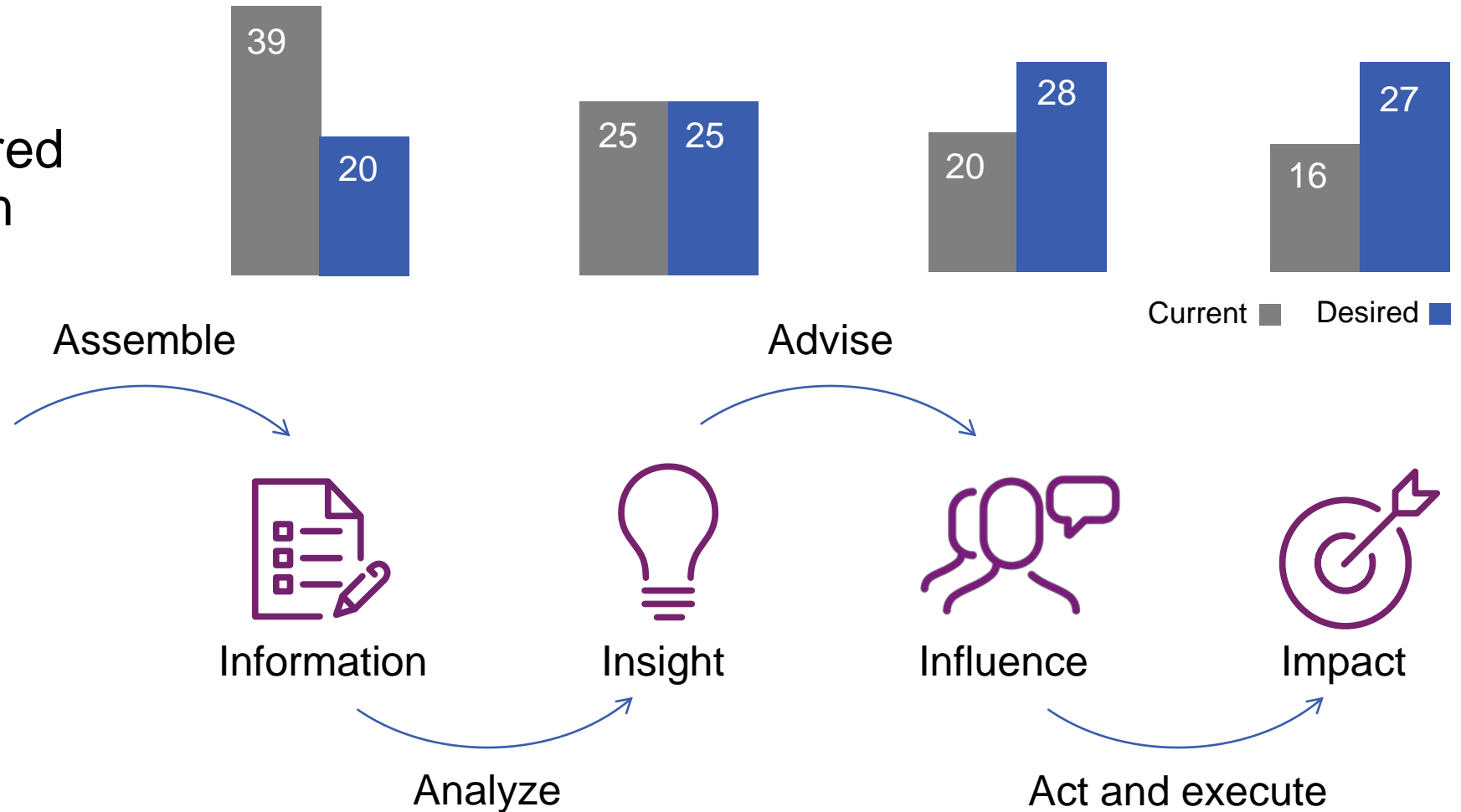
More automatable activities ← → Less automatable activities

Estimates of extent to which different types of roles could be automated; Source: McKinsey

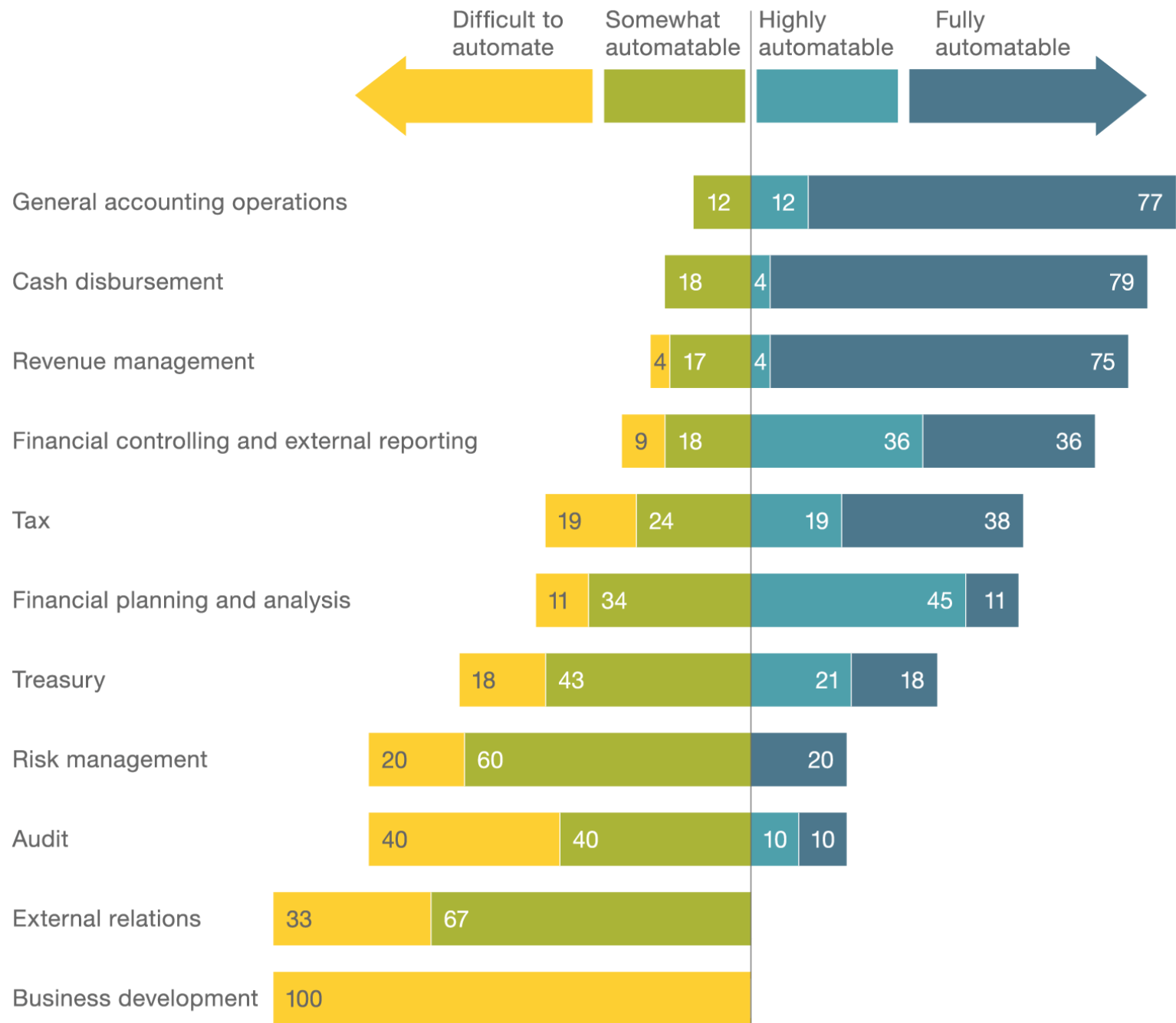
Source: McKinsey, Where machines could replace humans – and where they can't (yet)

# Primary activities of finance

- Time currently spent on them versus time desired to spend on them



# Activities that can be automated

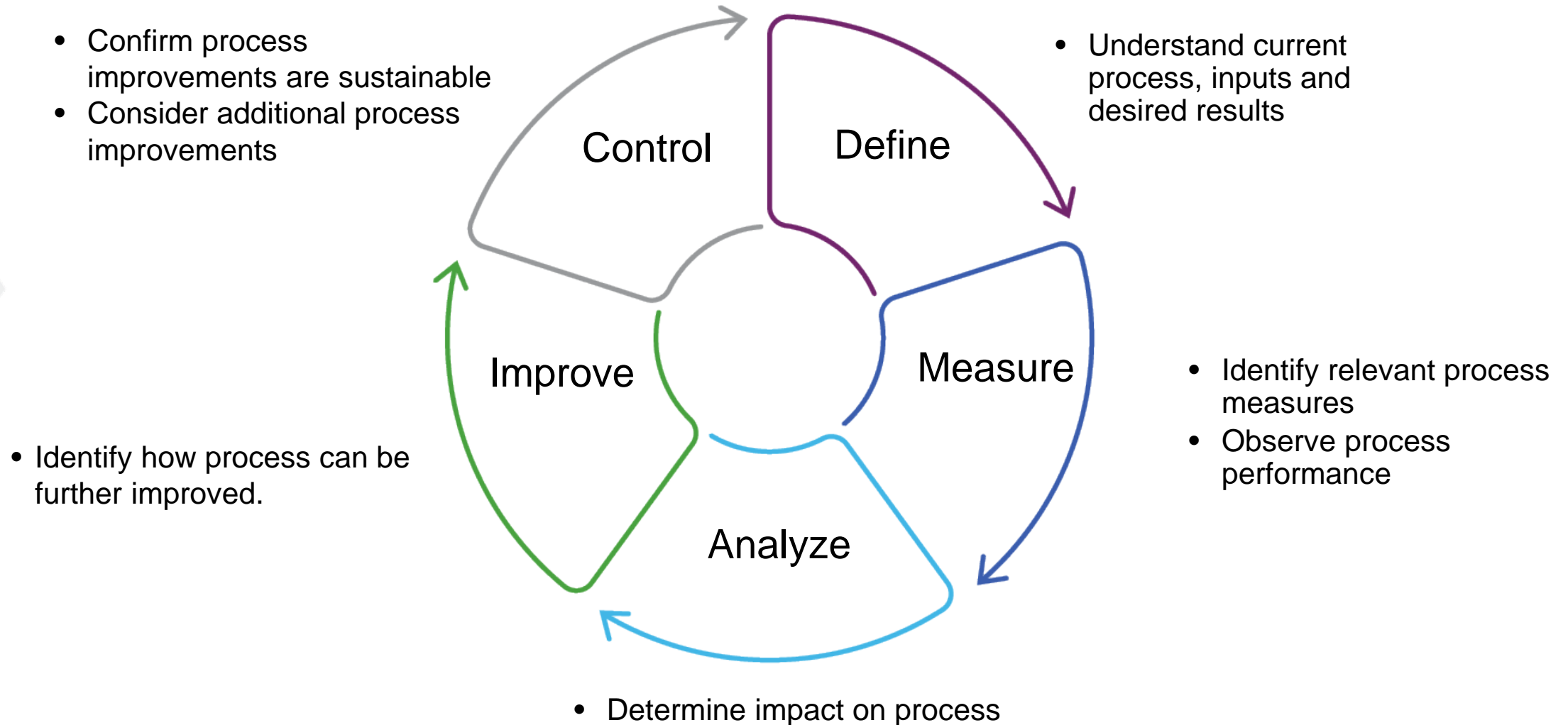


Source: McKinsey, Bots, Algorithms and Future of Finance 2018

## ➤ Applying technology for continuous process improvement

1. Identify key processes.
2. Understand current challenges and impact on the organization.
3. Prioritize based on impact.
4. Identify ideal automation.
5. Implement using proven methods.
  - Lean Six Sigma

# ➤ Methodology



## ➤ Examples of key processes

- Accounts payable (bill-to-pay)
- Expense management
- Month-end closing
- Financial accounting
- Customer relationship management
- Integration
- Sales tax compliance
- Corporate performance management

# sage Intacct - “Best in Class” integrated solutions

## AP Workflow



## AP Payments



## AP Purchasing



## AR Automation



## Budgeting & Planning



## Inventory Management



## Time, Expense, Travel, Attendance



## Document Management



## Donor / Grants Management



## EDI



## Close Management



## Fixed Asset & Leasing



## HCM & Payroll



## Commission & Incentive Compensation



## Manufacturing



## Payment Processing



## Project Management



## Field Service Management



## AI / Analytics/ Reporting



## Restaurant Management



## Association Management



## Checks & Supplies



## Spend / Cash Management



## Tax Management



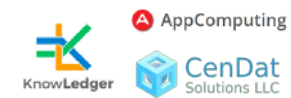
## CRM



## Tools



## Wealth & Asset Management



## Professional Services Automation





## ➤ Benefits of digital transformation

- Security: World-class application and data security
- Automation: More time for higher-value tasks
- Integration: Eliminates duplicate efforts and data inconsistencies between systems
- Access: Anywhere, any time, any device
- Visibility: Real-time insights supporting strategic decision-making
- Always up-to-date: Access to the latest features and functionality provided by the publisher

# ➤ What is Digital Transformation?

Digital Transformation (DT or DX) is the use of new, fast and frequently changing digital technology to solve problems.

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# THANK YOU FOR PARTICIPATING

## Questions?

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