



EXCEEDING EXPECTATIONS

news, tips, solutions



LEADERSHIP AND ACCOUNTABILITY

HOW TO SET THE PROPER TONE AT THE TOP

Many business owners started their own companies because they're good at what they do — whether it's manufacturing widgets or providing a service that clients are willing to pay for. Soon, however, all business owners learn that running a company is about much more.

Indeed, successful business owners focus the bulk of their time on one task: Setting the strategic course for the company. It's your most important job, and only you have the right and responsibility to do it.

BE ACCOUNTABLE

Owners who are most effective at developing a vision for their company allow themselves to be held accountable by others in the company — from senior level managers all the way down to entry-level employees. This accountability should be focused in several key areas, including:

- **Leadership** — One of the most critical, but also most difficult, things for many business owners to do is make the transition from being a “doer” to being a “leader.” Some owners make it halfway and become good managers, but the most successful ones challenge themselves to stretch beyond this and become true leaders.

Here's the difference: A leader casts vision and sets strategic direction. He or she then shares this with managers, who buy in and translate the message to staff in the form of strategic initiatives and concrete action plans.

- **Delegation** — The transition to leadership cannot happen if you don't master the art of delegation. Otherwise, too much of your time is spent “doing” and not enough time is focused on high-level goals.

Delegation starts with hiring the best people possible. Invest time and resources in them so they are equipped, and then trust them to do the jobs for which you hired them. Don't be afraid to hire to your weaknesses: Admit that you're not an expert in every area and then hire individuals who balance out your strengths and weaknesses.

Leadership

Want to be a better leader?

Here are a few quick tips:

Lead by example. Actions speak louder than words. Don't expect your employees to “do as you say, not as you do.” Instead, set the proper tone in every area of your business, especially the critical areas of honesty, integrity and work ethic.

Share the credit. Be generous in sharing praise and credit for a job well done. Public praise is one of the biggest employee motivators, sometimes even greater than money.

Be consistent. Most employees tend to respect and follow leaders who are steady and consistent in their actions and words, not those whose moods and behavior swing wildly from one extreme to another.

Be accessible. Do you really have an “open-door” policy? Or do you grudgingly wave employees into your office without looking up from your work? Practice the art of “management by walking around.”

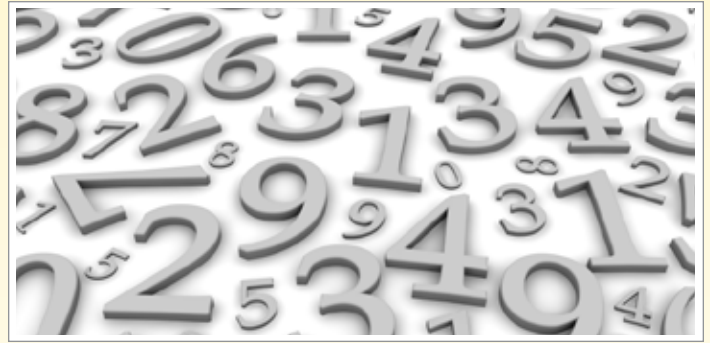
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• **Communication** — Employees need to know that what they do every day makes a difference — that it's relevant and fits into the big picture. Thus it falls to you to effectively communicate the company's vision and strategy. While a big part of the actual implementation falls on your managers, it should always be clear to everyone that the vision originates from you. Be upfront and visible within your company, communicating your vision early and often with employees via company-wide meetings, newsletters, e-blasts, and the company intranet.

Additionally, you and your managers should communicate on a personal level with staff, as appropriate. Learn about their families, interests outside of work and core values so you can determine what motivates them and, in turn, lead and manage them more effectively.

• **Succession** — Many owners consider succession to be something way down the road and put it off until "later." This can be a big mistake. It's your responsibility to plan for the day when you will no longer be the one in charge, whether it comes two months or 20 years from now.

First, identify a potential successor (or successors) and talk with him or her about it. Are they interested in succeeding you? What kind of training and preparation will be required to get them ready to take over your business? What is the timeline for succession? Start to involve candidates in your vision and strategic planning initiatives. This can be a test of their leadership mettle and a tool to help groom them for future leadership.



KEEPING SCORE

The best way to hold yourself and your managers accountable in these and every area of leadership is to literally keep score. Establish key goals for your company and figure out how to make them quantifiable and measurable. Then create scorecards to keep track of progress. Your scorecard will be different from those of your managers, and each manager's scorecard should be unique as well.

Some portion of your compensation and that of your managers compensation should be tied to your scorecards so that everyone has "skin in the game." This will show employees that you're serious about accountability and will provide some extra incentive to managers to take it seriously.

Please contact our office to discuss accountability, succession, scorecards and other good business strategies.

Make a Statement

A mission (or purpose) statement and a vision statement aren't necessarily the same thing. A mission statement is a concise (usually no more than one paragraph) summary of your company's reason for existence: Why you do what you do. It should be something that can be shared with others outside of your company.

A vision statement, on the other hand, is primarily an internal document. It should include:

Core values: What are the values that underlie everything your company does?

Goals: Outline near-, intermediate, and long-term goals – one-, five- and 10-year, for example – and include objective criteria so they can be measured.

Key drivers: Some of these might be growth of revenue, margins or market share.

Your BHAG: This phrase, coined by Jim Collins in his 1994 best seller *Built to Last*, stands for Big, Hairy, Audacious Goal. He calls it a "bold mission," similar to our nation's goal in the 1960s to land a man on the moon by the end of the decade.

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from our homepage. You can also select to receive timely news tips that will be emailed to you when applicable, just select your topics of interest. No commercials... just news. Thank you for your interest! Please contact Eileen Fullaway with any questions or concerns at 401-331-0500 extension 552.



SKM NAMED A WINNER OF THE 2009 ALFRED P. SLOAN AWARD



SKM was named a winner of the 2009 Alfred P. Sloan Award for Business in Workplace Flexibility, distinguishing the employer as a leading practitioner of workplace flexibility in Providence and across the nation. SKM was recognized at Business Over Easy: "Recognizing Workplace Flexibility in a Challenging Economy" hosted by The Greater Providence

Chamber of Commerce and the on Thursday, October 15, 2009. SKM also earned this honor in 2008.

The Alfred P. Sloan Award is presented annually to employers of all sizes and types that not only offer excellent workplace flexibility, but also use flexibility as a strategic tool to enhance organizational effectiveness while benefiting employees. Employers provide innovative solutions that are used to improve morale and company loyalty, increase productivity, improve customer services and address the impact of rising costs of commuting and energy for companies. For more information visit www.sansiveri.com.

TO ROTH OR NOT TO ROTH SHOULD YOU CONVERT YOUR IRA TO A ROTH IRA IN 2010?



In 2010 you will have an opportunity to convert a portion or all of your retirement plans to a Roth Individual Retirement Account (IRA) and pay the income tax currently rather than later. There are a number of issues for you to consider when making this decision and many of them don't even deal

with math! They are:

- Your age
- Length of time before you plan to access the funds
- Investment return on reinvestment
- Income tax rates – Federal, state and local – and the most advantageous time to pay the tax
- How much to convert – all, some, periodic
- Where are the funds coming from – IRA, retirement plan, 401(k), 403(b), 457?
- Estate planning considerations – beneficiary selection, estate taxes

The decision to convert your retirement plans to a Roth IRA is part of a larger picture of retirement, investment and estate planning. Here at SKM Wealth Management, LLC, we recognize that this is just one facet of your financial plan and encourage you to consider all the factors and how this decision affects the many areas of your financial life. Call us today or visit our website to find out more.



SKM Wealth Management, L.L.C.
Personal Financial Planning · Investment Management

EMPLOYEE NEWS



Jennifer Huntley was promoted to Senior Accountant. She provides auditing and consulting services to clients in private industry, including manufacturing, employee benefits, and not-for-profits.

Emily Andrew, Senior Assistant Accountant, in the Providence office has recently joined SKM's Newport office staff. Emily will be responsible for servicing our Newport and certain Providence small business clients.



Kevin Bickerstaff, tax specialist, and his finance' Ashleigh Domina, were married on Saturday, August 8, 2009 in Plymouth, MA. The couple travelled to St. Lucia for their honeymoon, after Kevin completed the 7-mile run in the 37th Annual CIGNA Falmouth Road Race on Sunday, August 9th. Ashley is a kindergarten teacher in Cumberland, RI.

Congratulations to Katie Kloss, senior tax specialist, and her husband, Aaron, who are proud parents of a new baby boy. Wyatt Joseph Kloss was born on September 16, 2009, weighing 7 lbs, 6oz, and measuring 19 1/2 inches long.



(Pictured below from left to right) Jason DaPonte, Ashley DiBiasio, David Holgate, and Shawn Souza were promoted to Senior Assistant Accountants. They provide auditing and accounting services to a variety of the firm's clients in a number of industries.



NEW MA LAW TO ENSURE DATA SECURITY

The newly passed (but not yet enforced) Massachusetts Data Security Law (201 CMR 17) is intended to ensure the security and confidentiality of personal data of MA residents being kept by businesses. It was enacted as a result of the large number of identity theft complaints that have increased nationwide 10-fold since 2000.

Will this law apply to your business? Regardless of size, the law will apply to your business if you 1) electronically store a MA resident's last name and first name, or first initial on a computer, and 2) additionally store one of the following: social security number, driver's license number, financial account number (credit or debit card), or access code that would allow you access to that person's financial information.

What measures must you take to comply? Businesses must develop, implement, maintain and monitor a comprehensive Written Information Security Plan (WISP) that is consistent with industry standards. It must also incorporate computer system security requirements, including secure user



authentication protocols, secure access controls and email encryption, as well as encryption of all portable devices. The program must then be monitored on a regular basis to ensure that it can prevent unauthorized access to and use of personal information. A sample WISP can be found on SKM's website at (<http://www.sansiveri.com/hottopics>). For more information, please contact Steven DeBlicek, Information Systems Manager, at sdeblicek@sansiveri.com or 401-331-0500 x524.

