

JUNE 2015

KĀLĀ

The Official Publication of the Hawaii Society of Certified Public Accountants

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JUNE 2015

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Hawaii Society of CPAs

900 Fort Street Mall, Suite 850

P.O. Box 1754

Honolulu, Hawaii 96806

Tel: (808) 537-9475

Fax: (808) 537-3520

E-mail: info@hscpa.org

Website: www.hscpa.org



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President's Message 4

By Gordon Tom

When the Whistle Blows 6

By Peter B. Reilly

Professional Ethics: It's for Everyone..... 9

By Ronald Heller

Techniques to Improve Learning..... 12

By Randy Johnston

Y-CPA Buzz..... 15

Norman's Book Review..... 16

What to ask before making an
IT investment 18

By David Stein

Book Order Form..... 20

President's Message

By Gordon Tom



Aloha members!

Our Annual Conference is right around the corner on Friday, June 19th and will be held at the Mauna

Kea Ballroom of the Hawaii Prince Hotel Waikiki. I hope you all registered and I look forward to seeing you all there. Because this is a renewal year, our program will include 4 ethics CPE credits for attendees presented by our own Ron Heller, along with an update on the new revenue recognition standards issued by the FASB. The Annual Conference is also designated as our annual membership and election meeting, where the members in attendance will elect the officers and directors nominated for the 2015-2016 year, and conduct any other business matters introduced by the members in attendance. This year will be our third conference where we have

included ethics CPE to provide added value and benefits to our members. Hawaii has had a mandatory ethics requirement since the December 31, 2011 renewal period, and we are one of over 20 NASBA jurisdictions which require mandatory ethics CPE for CPA license renewals.

I know attending a four-hour CPE session on ethics is challenging. I confess my attention and focus is distracted just as much as you at 2:30 on a Friday afternoon. However, I also realize that as a professional, I am entrusted by the public to provide professional services and advice on many business and personal financial matters and attending ethics training will remind me of this professional responsibility. Accountants were ranked high or very high on honesty and ethics by 43 percent of respondents to a 2011 Gallup poll; this was much higher than other business professionals such as bankers, lawyers and business executives, which were ranked at 23 percent, 21 percent and 17 percent, respectively. We are rightfully held to high standards by the public. Societal standards can be viewed as a pyramid framework built on the foundations of moral, ethical and legal norms and expectations.

As a professional, it is important to understand that the public has expectations and holds us accountable to high standards for moral, ethical and legal conduct. Just because an action or decision is immoral, does not always mean it's unethical. And just because it's unethical doesn't mean it's illegal. The accountancy laws and code of professional conduct exist and provide guidance because of this paradox. The public judges us often by appearance first, regardless of substance or form. Understanding that because something is okay from a legal or moral perspective doesn't always mean it's also ethical and

our annual ethics requirement serves as an important reminder of this.

Our legislative and other initiatives kept your officers, directors, Kathy and Debbie very busy this year. Although we were not successful in accomplishing all our goals this year, we made significant progress on each of them. While the bill did not survive, this was the most progress we have made to date and I would like to thank our hard-working team for their dedication and time. Unfortunately, Hawaii is the last state in the U.S. and will likely be the last U.S. jurisdiction that does not have some form of CPA mobility legislation. Mobility allows CPAs to practice and serve clients across state lines on a temporary basis, which is essential to properly (ethically!) serve clients in today's global business environment. It is unacceptable that the public that we serve lacks this capability of their CPAs. This will continue to be a priority for next year's board so stay tuned for more information on how you can help. I am also happy to report that we welcomed over 100 new and reinstated members into the HSCPA this past year, bringing our total membership to over 1,500 regular, associate, mainland/foreign and student members of the HSCPA.

The past year has gone by far too quickly. The nominating committee has decided to nominate me to continue as your president for another year to provide continuity as we continue our work on the important initiatives facing the profession. We plan to continue our discussions with legislators and the Board of Public Accountancy on mobility and other issues that will be facing our profession. I will provide a brief update on our plans for the upcoming year in the next issue of KALA.

I hope to see you all at the Annual Conference on the 19th.

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When the Whistle Blows:

Successful Resolutions Start With Effective Policies

By Peter B. Reilly, CPA, CVA



In a scene from the movie *To Have and Have Not*, Lauren Bacall's coo, "You know how to whistle, don't you, Steve? You just put your lips

together and . . . blow," remains one of the most provocative and tantalizing scenes in movie history. Bacall certainly made whistling seem easy, and Harry "Steve" Morgan (Humphrey Bogart) also whistled effortlessly as Marie Browning (Bacall) sauntered from the room. A lesser man may have perhaps cowered or, at the very least, reached for a cigarette.

It seems that not much has changed in the last 70 years. Since the making of *To Have and Have Not*, whistleblowing remains emotionally charged for some, of little bother to others and, in some instances, suppressed. The recently released "Report to The Nations on Occupational Fraud and Abuse: 2014 Global Fraud Study" from the Association of Certified Fraud Examiners (ACFE) found that the number one fraud detection measure continues to be employee "tipoffs." More than 42 percent of all fraud detections in 2014 were the result of employee tipoffs, whereas internal and external audits combined only discovered fraud in less than 18 percent of all cases. Even worse, external audits resulted in uncovering misappropriation of assets in only 3.3 percent of all detections. These misappropriations resulted in an average loss of \$185,000 to an organization.

The continuation of this trend should amplify the importance of listening to employees. The ACFE report states, "Tips were the most common detection method for organizations with and without hotlines, but the benefit was much more pronounced in organizations with them." Even so, organizations that are aware of the effectiveness of employee tipoffs still do not develop and implement effective whistleblower policies. All too often, the whistleblower is seen in a negative light and is treated with disdain by members of the organization.



Most fraud cases included in the ACFE 2014 Report occurred in the banking and government sectors, with average losses in the \$180,000 range. If wasteful government spending is indeed at a high level, one would think discouraging fraudulent activities by providing an effective whistleblower policy would be of paramount importance. Unfortunately, recent cases have suggested otherwise.

The federal government recently settled a whistleblower retaliation complaint

filed by a former C&O Canal chief ranger. The ranger had suffered nearly eight years of reprisals from the National Park Service (his employer). The reprisals started once Robert M. Danno, the ranger, complained to the Interior Department's Inspector General about improprieties in a tree-cutting arrangement along the scenic Potomac River. After reporting these improprieties, Danno was removed from his chief ranger position; stripped of his authority to carry a gun; wrongfully accused of theft, which led to criminal charges (of which he was acquitted); and

eventually reassigned to issue picnic permits. In 2006, the Interior Department's Inspector General found that the Park Service had violated its own policies, as originally reported by Danno, and continued to marginalize him and continually threaten to fire him. This gross and perverse retaliation is exactly the kind of behavior that a flawed whistleblower policy produces, which defeats the implementation

of professional development programs that employees expect as part of their workplace benefits.

Hundreds of notable whistleblower cases are listed in Wikipedia. Some have resulted in favorable outcomes, while others, not so much. Even in our office, we experienced an inability to provide a viable tool for employees willing to point out discrepancies in the workplace. Some time ago, our then-managing partner placed an old, bright red mailbox in the

kitchen to serve as a “suggestion box.” Ideas were percolating tirelessly. During the course of one of our staff member’s annual reviews, it was discovered that the staff member had placed a suggestion in the box several months prior and, apparently, no one was monitoring the box to determine if there were any suggestions given. The lesson? Should you supply such a hotline for your employees, make sure the box is checked regularly and that suggestions are taken seriously.

The Office of Personnel Management’s (OPM) “2013 Federal Employee Viewpoint Survey” (with similar numbers for 2014) shows “...no slowing of the ongoing decline in overall employee satisfaction across the federal government.” The government-wide “global satisfaction” index measures an employee’s willingness to recommend their organizations as a good place to work and indicates their overall job satisfaction. The global satisfaction index across all federal government sectors decreased from 63 percent positive responses in 2012 to 59 percent in 2013. In a 2010 survey, the index stood at 67 percent. Overall job satisfaction dropped from 68 to 65 percent, and recommending the organization as a good place to work decreased from 67 to 63 percent as pay satisfaction slid from 59 to 54 percent in 2013. Hopefully, the government is taking measures to fix this trend. A workplace environment where more than two thirds are satisfied with their job is the kind of workplace that cultivates and enriches employees.

As reported in *The Washington Post*, less

than a third of employees say they think promotions in their offices are based on merit. When it comes to trusting senior leaders to maintain “high standards of honesty and integrity,” only 49.5 percent agreed, down from 53.6 percent in 2012. Only 38 percent of employees agreed that their senior leaders inspire a high level of motivation and commitment to their jobs, down five points from 2012. Just half say senior leaders maintain high standards of honesty and integrity, down five points from 2012. Colleen M. Kelley, President of the National Treasury Employees Union, said in a statement that the 2014 survey “should serve as a wake-up call for federal managers to find creative ways within existing constraints to improve morale and employee retention.”



Whistleblowing and the Law

Congress enacted the Whistleblower Protection Act of 1989 to protect whistleblowers from retaliatory personnel authorities. More recently, in 2012, the Whistleblower Protection Enhancement Act was passed and the Presidential Policy Directive was put into place, prompting numerous revisions to the Whistleblower Protection Act. Sen. Charles Gassley (R-Iowa), an original co-author of the 1989

Act and advocate for better whistleblower protection, believed adherence to these enhanced revisions would help reverse the trend and at least make for a better workplace.

In March 2014, Gassley announced plans to create a Senate Caucus to uphold the Whistleblower Protection Act. He was quoted as saying whistleblowers are “... often treated like skunks at a picnic,” then adding, “Whistleblowers are a very important part of government operations. By exposing waste, fraud and abuse, they work to help keep government honest and effective. For their loyalty, they are often penalized, fired, demoted and harassed.”

But it’s not all bad news. Recently reported in *The Washington Post*, when Thomas Perez took over as U.S. Secretary of Labor in July 2013, he and his leadership team set out to raise morale at an agency that had ranked near the bottom of the “Best Places” list for several years. They started one-on-one meetings with employees; provided a suggestion box for new ways to do business; and implemented a program that offers employees a chance to work for several months in a different office or at a different job within the agency. The Department of Veterans Affairs (VA) earned certification for whistleblower protection, a sign that the agency is correcting widespread problems with retaliation against employees who report wrongdoing. VA said it earned the certification in part by requiring supervisors, managers and executives to complete training on whistleblower rights and protections every two years.

And a recent article in the American Institute of Certified Public Accountants' Journal of Accountancy suggested communicating to employers the importance of implementing a "hotline," referring to it as an "open line" or "help line," and ensuring the policy is not circumvented by establishing standardized steps.

The Problem With Bullying

Besides ineffective whistleblower policies and abuse, bullying can wreak havoc on employee morale. Anti-bullying programs have long been established in most of our nation's grammar and high schools. Perhaps we shouldn't have been surprised that the NFL will be the next to implement a nationwide anti-bullying program. In 2013, Coach Joe Philbin of the Miami Dolphins took the blame for allowing the environment within his organization to reach a toxic point. Philbin also acknowledged that the Jonathan Martin – Richie Incognito incident took a toll on the entire Miami Dolphins organization.

After the NFL's Independent Council Report on the Martin – Incognito matter, owner Steven Ross stated, "We must work together toward a culture of civility and mutual respect for one another." Further, Dolphins owner Stephen Ross has contracted with New York University School of Law, the New York University Center for Sports and Society, and the Jackie Robinson Foundation to implement "a curriculum which emphasizes accountability and educates athletes on a standard code

of conduct, appropriate use of language, and the elimination of disrespectful and unacceptable behavior in sports, including discrimination or harassment because of race, gender or sexual orientation. We are also exploring possible legislation and conduct pledge that would be instituted in all organized sports throughout the country to elevate the core value of respect."

In any event, what happened to the Miami Dolphins organization has turned out to be a very expensive proposition. Few things are as dear to an NFL organization as early draft picks. Benjamin Graham, regarding investing, once wrote, "...that price is what you pay and value is what you get." In the case of Jonathan Martin, the son of two Harvard graduates, the Dolphins perceived value must have been both brawn and intelligence. With the left side of the Miami Dolphins offensive line in rehabilitation, and millions of dollars down the drain, we are left to wonder about a good investment gone sour. Part of any organization's professional development program must be to listen to what is being said and understand what is being seen.

This isn't a case of the old adage that "boys will be boys," nor that fans just don't understand life in the locker room. Instead, this is an enterprise that has condoned an environment in which employees are not treated with mutual respect.

All too often, today's corporate mission

statements are catchy taglines serving more as advertisements rather than reflecting the entities' core values. On the TV show "Undercover Boss," many times the owner is shocked by the abusive behavior of one of his/her managers. After the occasional mishap, the aforementioned managing partner used to say, "...there is the company I think I run, and there is the company I actually run." It all boils down to a lack of management connectivity. Even the ACFE report states, where ineffective internal controls contributed to 37 percent of the detected fraud, lack of management review accounted for 23 percent of detected frauds. Basically, management needs to stay connected.

It Pays To Pay Attention

Next time you are walking down the hall for a cup of coffee, ask yourself: Is there bullying taking place in our corporate departments? Is our language reflective of our desired culture? Are our environment and interactions reflective of our mission? Is someone stealing? Money? Integrity? Image? How would we react to the fraud of one of our most productive managers bullying those in his/her department? Are preventative measures in place? How can damage done by those who act contradictory to our mission be rebuilt? Fraudulent activity can be quantified through good forensic accounting once a whistleblower policy is in place. However, how much cost or damage is caused by bullying and contrary behavior?

Not all organizations are in a position as fortunate as the Miami Dolphins to assemble a team of universities, foundations, and lawyers to repair the damage done to their mission and reputation. We need to follow in the footsteps of Harry Morgan, who both whistled and listened.

Continued on page 13

*In Memory Of
Garret K. Yamamoto
1959 - 2015*

Our sincere regret at the loss of a colleague, friend and member of the HSCPA since 1989. We wish to express our deepest sympathy to his family and friends.

Professional Ethics: It's for Everyone

By Ronald Heller, Attorney & CPA



In the preamble to the AICPA Code of Professional Conduct, there is a good summary of the concept of professional ethics:

These Principles of the Code of Professional Conduct of the American Institute of Certified Public Accountants express the profession's recognition of its responsibilities to the public, to clients, and to colleagues. They guide members in the performance of their professional responsibilities and express the basic tenets of ethical and professional conduct. The Principles call for an unswerving commitment to honorable behavior, even at the sacrifice of personal advantage.

The key elements are:

- (1) recognition of responsibilities to the public and to the profession as well as to clients;
- (2) a commitment to honorable behavior; and
- (3) dedication to these principles even when it may conflict with personal advantage.

While the quote above comes from the AICPA, and relates to Certified Public

Accountants, it basically sets forth the ethical foundation that separates a profession from a mere business. Any professional, whether an attorney, a CPA, an engineer or a doctor, should recognize some version of these fundamental obligations. Within the CPA profession, these guidelines apply not only to those engaged in public practice, but to all who claim to be true professionals, whether they are working in industry, government, or academia.

Typically, a professional has specialized training, and may have a license or credential that allows him or her to practice in a given area, but the essential quality that defines a profession is not what kind of training its members have; it is the responsibilities they recognize in using their skills. The CPA profession can, and should, take pride in upholding these principles.

As a profession, we've gone through some difficult times. Certain highly-publicized business failures, sensationalized by sound-bite journalism, created some challenges for the image of the accounting profession. The ultimate result, however, was a new emphasis on the core values of independence, integrity

and objectivity. Today, the accounting profession is stronger than ever, and efforts to improve are continuing.

We continue to work on legislation to regulate practice in Hawaii by out-of-state CPAs. This requires careful balancing to achieve protection of the public and at the same time allow the widest range of choices to Hawaii-based clients. As technological advances make it easier for a CPA based in Dallas or Dubuque to provide services to a client on Maui or Kauai, the challenge of upholding ethical standards becomes more complex. At the same time, dealing with that challenge effectively becomes even more important.

These efforts take time, but each of us can, and should, contribute to the on-going effort to improve the profession. That on-going effort to improve is precisely what makes accounting a profession to be proud of. Regardless of whether you are in business and industry, academia, government, or the public practice of accounting, as a CPA you are part of a profession. A true professional recognizes that the foundation of professional ethics is responsibility to the public and to the profession.



Fulfill the Ethics CPE requirement early and register for the 55th Annual Conference now at:

www.hscpa.org/professional-development/

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CPE offerings for Ethics will be offered throughout this year. Check the HSCPA website for listings.

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Howard Hughes

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Techniques to Improve Learning

By Randy Johnston of K2 Enterprises



As accountants, one of the privileges we have is to be a continuous learner. We take classes and read articles to keep our skills current, all to put us in the best position to help our firm and/or our clients. While there is debate if 40 hours of CPE is enough educational exposure with more profitable organizations requiring 60 to 80 or more CPE hours, it is clear that the right type of learning on the right type of topic is helpful. While selecting the right topics are important, the method of delivery also affects the amount of learning that will take place.

This year's recently completed 2015 Accounting Firm Operations and Technology Survey by Network Management Group, Inc. and Insight Research continued to highlight the need for training for accountants. A number of our state Society members participated in this national survey. Survey question 15 asked about the amount of time spent on training staff, and 63.2% of all firms spent zero time! The amount of training at the firm level in 2015 dropped to 3.2% from 6.0% in 2014. Notably, firms of 11 people and more spent around 5% of their time in training, where smaller organizations spent 4%. In question 19 of the survey, training was the top technology challenge in 5.6% of all firms responding. As a possible explanation of this top challenge, 17% of all respondents named training as their most annoying technology challenge. So how can we train effectively without getting annoyed about training? Understanding that people learn in different ways is a great place to start.

What Are The Main Learning Models?

There are currently many models on the types of learning styles, but two similar models are the most popular. First, a learning modality model from Barbe, Swassing, and Milone (1979) claims there are three main types of learning styles: auditory, visual, and kinesthetic. Most people learn best through a combination of the three types of learning styles, but everybody is different. Although most people use a combination of the three learning styles, they usually have a clear preference for one. Knowing and understanding the types of learning styles is important for learners of any age. The three types of learning styles include:

- Auditory Learners: Hear
- Visual Learners: See
- Kinesthetic Learners: Touch

Auditory learners would rather listen to things being explained than read about them. Reciting information out loud and having music in the background is common. Other noises may become a distraction resulting in a need for a relatively quiet place. Visual learners learn best by looking at graphics, watching a demonstration, or reading. For them, it's easy to look at charts and graphs, but they may have difficulty focusing while listening to an explanation. Kinesthetic learners process information best through a "hands-on" experience. Actually doing an activity can be the easiest way for them to learn. Sitting still while learning may be difficult, but writing things down makes it easier to understand. By the way, most accountants are kinesthetic learners.

A second popular model says we learn through different techniques according to the model of multiple intelligences from Howard Gardner of Harvard (1991). When content is provided to your team members, you should recognize that accountants have different learning styles according to the multiple intelligence model. Your methodology should include one or more of the learning styles to achieve maximum effectiveness.

This includes:

- Visual (spatial): You prefer using pictures, images, and spatial understanding.
- Aural (auditory-musical): You prefer using sound and music.
- Verbal (linguistic): You prefer using words, both in speech and writing.
- Physical (kinesthetic): You prefer using your body, hands and sense of touch.
- Logical (mathematical): You prefer using logic, reasoning and systems.
- Social (interpersonal): You prefer to learn in groups or with other people.
- Solitary (intrapersonal): You prefer to work alone and use self-study.

Gardner says that these differences "challenge an educational system that assumes that everyone can learn the same materials in the same way and that a uniform, universal measure suffices to test student learning. Indeed, as currently constituted, our educational system is heavily biased toward linguistic modes of instruction and assessment and, to a somewhat lesser degree, toward logical-quantitative modes as well." How can you provide the learning content needed in

an interesting way that satisfies the multiple intelligences model? One statistic of note about the most preferred ways to learn from Question 85 of the 2nd Annual Accounting Firm Operations and Technology Survey is that the top sources of learning include: educational webinars (36.1%), from my peers (31.3%), and Industry Events I attend in person (29.8%). There are assessment tools that measure learning styles as well as one from K2 Enterprises and this state society that measures technical competencies in tools like Microsoft Excel.

So What Do We Do About Learning?

Choose content that is relative to the tasks that need completed and a delivery method that fits the learning style. Consider the needs of the organization and the indi-

vidual and make a learning plan that includes a career ladder. Provide the course work during a time that the individual is most effective at learning. Consider one on one coaching for the busiest of your team members, particularly for tactical “how-to” tasks. Ask them to simply keep a list of questions and structure the learning on how to resolve these specific problems. Always have orientation learning for any new product such as Windows or Microsoft Office, or an upgrade to your core application. Ask your team questions about where time is wasted, which processes are time consuming, about areas of confusion or topics that need clarity. Put yourself and your team in the habit of asking how can you do something the best and what is the most effective way to do it? When you gain the habit of using the Kipling questions of asking:

- Who is it about?
- What happened?
- When did it take place?
- Where did it take place?
- Why did it happen?
- How did it happen?

You will have a much stronger view of what is needed to improve your learning process.

Randy Johnston is Executive Vice President at K2 Enterprises. He is a nationally recognized educator, consultant, and writer with over 30 years of experience in Strategic Technology Planning, Accounting Software Selection, Paperless, Systems and Network Integration, Business Continuity and Disaster Recovery Planning, Business Development and Management, Process Engineering and outsourced managed services.

Continued from page 8

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Peter B. Reilly, CPA, CVA, is president and managing partner of Councilor, Buchanan & Mitchell, PC. He co-authored the book, “Minding Your Family Owned & Managed Business” and teaches accounting Northern Virginia Community College. Contact him at preilly@cbmcpa.com.

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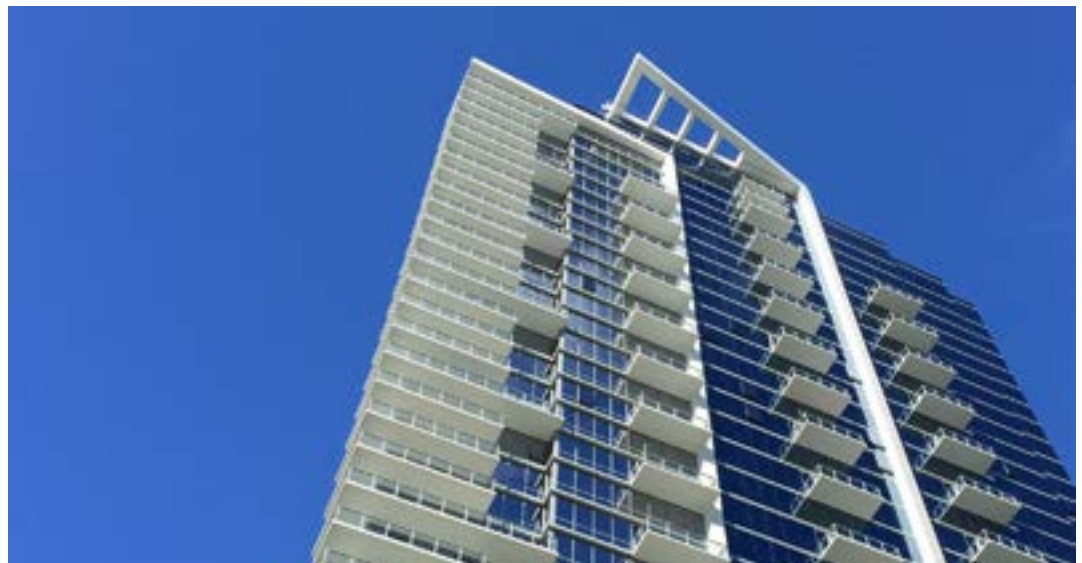
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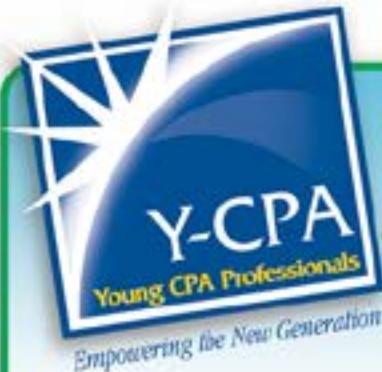
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Y-CPa BUZZ!



By Andrea Carr

Hawaii Business Podcast was formed out of the nervous energies of two people, who individually, come up with more business ideas in a year than beads on an abacus. I started this podcast with Trung Lam, co-owner of La Tour Café. We both wanted something new outside our usual industries and companies.

A podcast is an audio recording of a long conversation generally downloadable through iTunes for listening on an iPod, hence the name. You can also download from our website at www.hibusinesspodcast.com. It's like radio, but the conversations are longer, the hosts are less polished, and audiences are generally narrower. A successful and profitable podcast will get around 25,000 to 50,000 listeners. We might have 20 listeners, but that might be optimistic.

We started in mid-November of 2014 when we started throwing around ideas over good food and stiff drinks. Trung was an avid listener of podcasts and I was listening to about an audiobook a week, so we could at least be our own content consumers. Plus, in appropriate millennial fashion, we liked the low commitment of time and money. This was a business idea which didn't even require we wear pants. Note: We've worn pants during every podcast recording.

So we started planning, researching, buying equipment, and doing the things we generally advise our clients to do as CPAs. We went to DCCA to register our name, which was going to be What The LLC and a DBA, but we clearly didn't have our running shoes on that week, because one week earlier a Wut Da LLC registered and DCCA sent a most regrets letter stating I must request a new name because the one I applied for was too similar to Wut Da LLC. I think this was my first major disappointment as a new entrepreneur. Trung was elated someone

at DCCA actually had the means to check the alternative version of our name. The conclusion is we saved \$50 on registering a trade name and now operate as **Hawaii Business Podcast LLC**.

After the technical details were worked out, we started to talk to people. We decided to have one guest every two weeks on the podcast and talk about their business. Since both Trung and I lacked the Diane Sawyer flare or experience, we went with questions we personally wanted to know the answers to. We asked Dr. Stephen Kula, executive director of the organ procurement organization what it's like to take someone's organs and put them in someone else, and where's the best place to move if you want a liver. We asked Jon Yamasato what's it like going from a full-time musician to being a realtor who creates YouTube videos of Hawaiian music for which he has an established audience of 45,000 people.

Through these conversations, we eventually found a heartbeat in what we were doing: stories. Historically, Hawaii has been a culture of storytelling and mixing that culture with entrepreneurs captures my interest. There's something memorable and even academic about hearing Tony Hsieh drink 18 energy drinks (not recommended) and drive 36 hours cross country to save Zappos. The stories are equally compelling in Hawaii, but not easily available on the Internet. We hope through our recorded conversations we become a resource for someone, anyone, preferably a mammal. Plus, we are having a whole lot of fun and I think pants are still technically optional, but I should probably check with our attorney first.

Y-CPAs on the Road: Memorial Day Lantern Floating Festival



On Sunday May 3rd, the YCPAs volunteered their time to assist Shinnyo-en Hawaii in preparing some of the 6,000 lanterns that will be used at the Memorial Day Lantern Floating Festival. Attention to detail was more important than speed during this volunteer activity as each lantern prepared will float a loved one's well wishes and memories for someone who has gone before us. It was touching to be a part of this festival that is free to all who want to participate. To learn more about the festival you can find information at www.lanternfloatinghawaii.com.



Norman's Book Review

"The Secrets of Happy Families"

by Bruce Feiler

As people live longer and the world gets more complex, one's family becomes more important than ever before. It's not unusual anymore to have three and sometimes four generations of people living in the same house. Noted author and columnist Bruce Feiler decided to take a three year journey to consult with the most creative minds in the country, such as Warren Buffett, Dr. Gary Chapman ("The Five Love Languages") and Jim Collins ("Good To Great"), to find out the best ways to bring families closer together. With its more than 200 best practices, Feiler's book is interesting, thought provoking, and will give you ideas to increase your family's happiness. As a bonus, you can check out his website, BruceFeiler.com, and see his presentation to Google executives on his book, as well as other speeches he has given. The following are excerpts from his book which I thought you would like, including items which might help you at work.

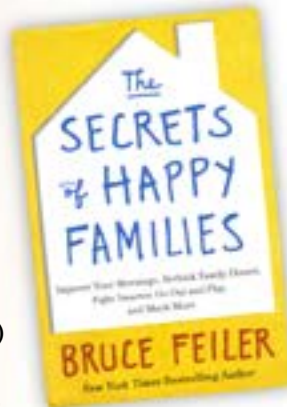
The Importance of Family

Research shows your family is critical to your overall happiness and well-being. Spending time with people you care about and who care about you, which is usually your family, is the number one predictor of life satisfaction.

The Importance of Family Dinners

Want to improve your child's academic achievements and reduce behavior problems? Eat more meals together. It is the single biggest predictor of your

child's well-being; more influential than time spent in school, studying, attending religious services, or playing sports.



Know Your Family History – Good or Bad

Children who know their family history exhibit more

self-esteem and confidence, do better when they face challenges, and are more resilient. They know they belong to something bigger than themselves. The best time to talk about your family history is when you eat meals together!

Achieving Work-Life Balance

People usually either have a great family and an average career, or an awesome career and average family. The only way to have both is to apply the same level of passion and energy to your family as you do to your work. There can be no asymmetry.

Create A Family Mission Statement

Successful companies have meaningful mission statements. Stephen Covey suggested families should develop a family mission statement. He stated "the goal is to create a clear, compelling vision of what you and your family are all about. Good families – even great families – are off track 90% of the time. What makes them good is they have a clear destina-

tion in mind, and they have a flight plan to get there. As a result, when they face the inevitable turbulence and human error, they keep coming back to their plan."

Avoid Controversy During 6:00 pm – 8:00 pm

The most highly charged time of the day for families is between 6:00 pm – 8:00 pm. Women are the most stressed at this time, especially if they are coming home from work and beginning their "second shift" of housework and caretaking.

"Eye Rolling"

"Eye rolling" is the one gesture, above all, that predicted marital tension. It is a sign of contempt and a predictor of trouble to come.

Secret To Success According To Warren Buffett

If you look at most successful adults in business, they were all involved in business at a young age. Warren Buffett believes it's the secret to success. "Early exposure to business is necessary for someone to be successful in business. You get to understand money, even though you haven't studied economics yet."

Marriage Benefits

Marriage doubles a person's wealth versus those who remain single. On the other hand, getting a divorce cuts a person's wealth by 75%.

Married people live longer and have greater life satisfaction. They also

smoke and drink less, get fewer colds, sleep more regular hours, and eat more regular meals (this also causes married people to put on more weight).

Biggest Predictors Of Marital Success Or Failure

The best predictor of marital success is graduating from college, and the biggest single risk factor for divorce is getting married before you turn 24 years old.

Women Lead To Better Decisions

Research has shown groups make better decisions than individuals. Going further, groups with more females are more effective than groups with less or no females. Why? Women are more sensitive to input from everyone, more capable of reaching compromise, and are more efficient at making decisions. Regarding corporate boards, three or more women enhances governance because it makes it more likely that the women are heard. Women bring a collaborative leadership style which increases listening, social support and win-win problem solving.

The Importance of Sports

Sports participation results in an increase in self-confidence, time management skills, and positive body image, as well as a decrease in depression, teen pregnancy, and smoking. Athletes are also more likely to attend college and graduate. A study of Fortune 500 company senior executives found about 95% had played high school sports, compared with 50% who were in student government and less than that in the National Honor Society.

Happy Families Consistently Do These Things

In the author's research, he found happy families consistently do the following

three things:

Adapt All The Time – The most successful families are flexible and agile, making changes as necessary to survive and thrive.

Talk. A Lot – Most healthy families talk a lot and communicate effectively.

Go Out And Play – Whatever makes you happy, doing it with other family members will make your family happier. Families that play together stay together.

Summary

Feiler's book was both informative and fun to read, and since he talks about how he tested some of the things he

learned on his family, I could relate to some of his trials and tribulations. The lessons he learned through his research can make a huge difference in your own family's happiness and so his book is definitely a must read book. Listed below are the nine healthy family traits from the book.

"Happiness is not something we find; it's something we make." (Bruce Feiler)

"All happy families are alike; each unhappy family is unhappy in its own way." (Russian novelist Leo Tolstoy)

"Happiness is not something ready-made. It comes from your own actions." (Dalai Lama)

Nine Healthy Family Traits

Communication. Family members talk to one another often, in a manner that's honest, clear, and open, even when they disagree.

Encouragement of individuals. Strong families appreciate each member's uniqueness while cultivating a sense of belonging to the whole.

Commitment to the family. Members of successful families make it clear to one another, and to the world, that their allegiance to their family is strong.

Religious/spiritual well-being. Researchers concluded that a shared value system and moral code were common among highly functioning families. But they said these values were not contingent on membership in any denomination or frequent attendance at worship services.

Social connectedness. Successful families are not isolated; they are connected to the wider society, and they reach out to friends and neighbors in crisis.

Adaptability. Strong families are structured yet flexible, and they adjust their structure in response to stress.

Appreciativeness. People in strong families care deeply for one another, and they express their feelings often. Even if some members are not naturally expressive, they communicate their emotions by doing meaningful things for others.

Clear roles. Members of successful families are aware of their responsibilities to the group.

Time together. Members of strong families spend time together doing things they enjoy.

What to ask before making an IT investment

By David Stein

CFOs in charge of overseeing IT investment strategies now have a new name to describe their responsibilities: technology evangelist.

That's according to a recent survey of 1,275 global executives commissioned by Accenture and Oracle. Sixty-seven per cent of respondents said their CFO strongly champions the use of emerging technologies to deliver innovation and growth within the finance function.

It's a title not to be worn lightly. With many companies' IT departments now reporting to the CFO, an increasing number of people are counting on senior finance executives to lead their own function's

new technology investments and those of the entire organisation.

How can CFOs – whose technical knowledge is often not as strong as that of their IT colleagues – prepare themselves for these critical decisions?

The starting point must be a holistic assessment of how IT projects can work together to achieve a company's strategic goals, said Jeanne Ross, director and principal research scientist at the Center for Information Systems Research at MIT Sloan School of Management in Cambridge, Massachusetts, who's written extensively on the intersection between technology and finance.

Technology should do two things: help standardise processes and integrate data across those processes. For finance executives who fail to focus on projects that accomplish both of these requirements, the risk is sub-optimisation. "You could end up with something very, very cool that is totally unimportant," Ross said.

In making IT investment decisions, here are some key questions for finance executives to ask:

What are your company's critical capabilities?

Choosing the right technology solutions starts with understanding your principal business strategies. For example, if forming a comprehensive customer relationship is important, then every IT project should align with the strategic goal of integrating customer data.

This may seem like common sense. But according to Ross, many companies haven't articulated – and then followed

through on – this simple premise.

UPS is among the companies that have, Ross said. In the early 1990s, the parcel delivery company realised that information about packages was just as important as the packages themselves. In response, the company built a single database housing all of its package data. Since then, UPS has made sure other projects complement this core IT strategy.

Once capabilities are identified, a project's particulars can be considered, said Byron Patrick, CPA/CITP, CGMA, the CEO and co-founder of Simplified Innovations, a technology service provider for accounting firms.

"You need to make a list of project must-haves – the minimal requirements. And then a list of nice-to-haves," Patrick said. This helps simplify the evaluation process – and eliminates costly features that don't appear on either list.

Which past projects generated the intended value?

Examining past successes – and disappointments – can help finance executives judge whether the business case before them is inflated.

Ross cited USAA as a model. The US financial services company evaluates whether every IT project has realised its business case. This exercise helps project managers rethink what was originally requested and be more realistic for the next project.

"Even in the middle of a project, [USAA executives] want to know, 'Are we going to make it?' If not, they'll stop the project," Ross said.

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Setting realistic expectations is important to avoid disappointment. “Just because something is more expensive doesn’t mean it will work better. And just because there are cost savings doesn’t mean it’s better, either,” said Patrick, who sells IT services but is also a current and past buyer of technology solutions.

Value drivers besides reduced expenses shouldn’t be overlooked, Patrick added. Mobile IT solutions, for example, provide the increased flexibility required by a global workforce, helping to retain quality personnel.

How much will it cost to run year after year?

Companies often make the mistake of focusing on the initial investment, which isn’t always the most costly part of a project, Ross explained.

Rather, recurring expenses turn out to be the real cost drivers. Licensing, maintenance, and staff training all contribute to the full budget to implement, Patrick said.

“I like to have my clients project out the total cost of ownership three to five years,” Patrick said. “That way, if there’s going to be a hardware lifecycle refresh, they can factor that into the cost of the system.”

It’s the responsibility of finance – and particularly management accountants – to help IT departments understand what’s driving these ongoing costs, Ross said.

How can I help IT deliver what’s requested?

Although it’s important for finance executives to have a general understanding of a

project’s technical components, that’s not where they can have the most influence.

“You must focus on the business impact. You don’t have to learn the technologist’s job,” Ross recommended.

Despite this division of responsibilities, finance and IT must work closely together, setting up regular check-ins. “If you wait for the final product, it’s a recipe for disaster. You must be fully engaged in the process,” Ross added.

It’s critical to connect with the end users, who ultimately have to live with the purchasing decision. Patrick said small groups and one-on-one conversations can

provide perspectives on the work flows any new system would be designed to improve.

Finance executives need to remember that while technologies constantly evolve, the fundamental questions remain the same. “Not getting [the answers] wrong can have a huge impact on an organisation,” Ross said.

This article first appeared in CGMA Magazine. For more articles, sign up for the weekly email update from CGMA Magazine at <http://bit.ly/UZ07NC>

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