


# Accounting's Perfect Storm: 2017 Update

A Moving Target!



## Be Aware!!!

Written by  
William F. O'Brien  
MBA, CPA

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

1

---

---

---

---

---

---

---

---

# About the Author

WILLIAM F. O'BRIEN, MBA, CPA, is a financial management consultant and educator with over 40 years of experience. He has held senior financial management positions with Intel Corporation and ROLM Corporation and served as CFO for several emerging high technology companies. Mr. O'Brien has extensive experience in corporate planning, financial analysis, cash management and managerial accounting in both domestic and international settings. He has served on the faculties of Santa Clara University and San Jose State University and is a frequent financial seminar speaker in both the U.S. and abroad.

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

2

---

---

---

---

---

---

---

---

# Agenda

- Making This Session Work
- Elements of the Storm
- The Path of the Storm
- Update on the Current Forecast
- Taking a Closer Look
- 10 Key Business Issues-Revisited
- 10 Steps to Take—Right Now!

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

3

---

---

---

---

---

---

---

---

## Seminar Objectives

PLAY LIKE  
A CHAMPION  
TODAY

- To explore the elements of Accounting's Perfect Storm and make you a Champion for Awareness
- To develop an appreciation for the IFRS Adoption impact
- To discuss how the convergence project will change your basic financial reporting model
- To discover potential alternatives for private company reporting
- To identify critical operational issues driven by the storm
- To encourage you to take action—today!

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

4

---

---

---

---

---

---

---

---

## Making This Session Work

- Commit to active participation
  - Take notes
  - Ask questions
- Approach the process with fun and enthusiasm
  - Keep an open mind
- Create your personal highlights of the class
  - Take away your "Four on the Floor"

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

5

---

---

---

---

---

---

---

---

## The Pre-Test: How Much Do You Really Know About the Perfect Storm?



SELF  
TEST

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

6

---

---

---

---

---

---

---

---

**Pre-Test**  
(Circle the correct answer)

- The convergence project impacts public companies only.  
A. True  
B. False
- The driver of the U.S. convergence project is:  
A. The IASB—the International Accounting Standards Board  
B. The FAF—the Financial Accounting Foundation  
C. The FASB—the Financial Accounting Standards Board  
D. The SEC—the Securities and Exchange Commission

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

7

---

---

---

---

---

---

---

---

**Pre-Test**  
(Circle the correct answer)

- IFRS is only principles based.  
A. True  
B. False
- The primary reason(s) for the adoption of IFRS in the United States is:  
A. Comparability of financial information  
B. Transparency of financial information  
C. The economics of financial reporting  
D. All of the above.

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

8

---

---

---

---

---

---

---

---

**Pre-Test**  
(Circle the correct answer)

- The earliest date that FASB anticipates implementation of the financial performance reporting is:  
A. Sometime later this decade  
B. 2017  
C. 2018  
D. 2019
- The AICPA supports the implementation of IFRS for SMEs in the U.S.  
A. True  
B. False

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

9

---

---

---

---

---

---

---

---

7. The SEC is fully committed to the adoption of IFRS in the United States.  
 A. True  
 B. False

8. The chairman of the IASB is:  
 A. Sir David Tweedie  
 B. Hans Hoogervorst  
 C. James Leninger  
 D. James Kroeker

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

10

---

---

---

---

---

---

---

---

9. The current adoption timetable places the balance sheet transition to IFRS at:  
 A. December 31, 2017  
 B. December 31, 2018  
 C. December 31, 2019  
 D. Beyond December 31, 2019

10. There are currently no activities impacting the financial reporting of Non-profit Organizations:  
 A. True  
 B. False

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

11

---

---

---

---


---

---

---

---

# Module I



## The Elements of the Perfect Storm

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

12

---

---

---

---

---

---

---

---

## The Perfect Storm

- IFRS adoption
- Convergence completion
- Private Company Financial Reporting (PCFR) options
- Changes in NPO reporting

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

13

---

---

---

---

---

---

---

## Why the "Perfect Storm"

- Four of the most significant events in U.S. accounting history occur in one year!
- SEC closure on IFRS adoption
- Conclusion of FASB-IASB convergence activities (including financial performance reporting)
- AICPA & FAF introduction of private company reporting options
- Changes to NPO reporting, commentary & metrics

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

14

---

---

---

---

---

---

---

## IFRS Adoption

- IF...SEC adoption of IFRS occurs by 2020
- For 3 years of income statements, means a Dec. 31, 2017 beginning balance sheet
- This is a short timeframe for a major business model transformation
- Canada 2011; Mexico 2012
- Regardless of the SEC, IFRS is an available OCBOA now
- IFRS interest on the rise with newly nominated Chair, Jay Clayton

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

15

---

---

---

---

---

---

---

## Convergence



- The best of the best
  - Define “best”
- Local standards remain
  - Jointly issued but separately produced pronouncements
- Steady progress is occurring, but “minor” differences continue
- A necessary full adoption precursor???

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

16

---

---

---

---

---

---

---

---

## Private Company Reporting

- Unique reporting standards for non-public companies
- Full U.S. GAAP and IFRS viewed too complex for smaller companies
  - But these options are anything but simple!



Three Things to Consider: Judith O'Dell, Jr.

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

17

---

---

---

---

---

---

---

---

## IFRS for SMEs

- Issued in July 2009 to enthusiastic reception in U.S.
- Immediately approved for U.S. private entities
- Major differences from U.S. GAAP and IFRS
  - No LIFO
  - Revaluation model not allowed
  - Goodwill amortization required over 10 years
  - And many more...

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

18

---

---

---

---

---

---

---

---

## NPOs and the NAC

- Subcommittee of the FASB
- Passed recommendations over to the full board for consideration
  - Reporting format
  - Cash and liquidity disclosure
  - Investment income presentation
- Phase I Standard issued in August 2016
  - Effective FYB 12/1517
  - Phase II - TBD

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

19

---

---

---

---

---

---

---

---

## Module II



### The Path of the Storm

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

20

---

---

---

---

---

---

---

---

## History of Prior Attempts

- The problem: A worldwide Tower of Accounting Babel
- The solution?:
  - The U.S. way or the highway
  - Harmonization
  - Convergence
  - Adoption of IFRS



ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

21

---

---

---

---

---

---

---

---

## Convergence Evolution

- The Norwalk Agreement – 2002
  - FASB – IASB commitment to mutual development of standards
- On-going commitments to conclusion
  - 2006 and 2008
- Conceptual Framework Project
  - The foundation of financial accounting theory and financial statement format

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

22

---

---

---

---

---

---

---

---

## Private Company Reporting

- AICPA accepted, then rejected IFRS for SMEs as the only basis of reporting
- Blue Ribbon Panel launched Fall 2009
- Recommendations to FAF and AICPA in Spring 2011
- PCC launched in 2012; FAF issued 2013
  - New PCC chairman in 2016: Candace Wright
  - Results of 1<sup>st</sup> review:
    - Created PCC Tech. Agenda Consulting Group
    - Continue private company focus
    - Continue to provide transparency in deliberations

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

23

---

---

---

---

---

---

---

---

Let's Take a Break!



ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

24

---

---

---

---

---

---

---

---



# Module III

## Update on the Current Forecast

*"Plans are only good intentions unless they immediately degenerate into hard work."*


- Peter Drucker

ACPEN

Industry Institute

Accounting's Perfect Storm ©2017

25



---

---

---

---

---

---

---

---

# IFRS Adoption Update

- Former SEC Chair Mary Jo White expressed strong support for SEC-IFRS involvement upon leaving office
  - "Highest priority" and "central importance to US investors"
- Some direction towards supplemental IFRS disclosure
- Issue is still very much alive!

ACPEN

Industry Institute

Accounting's Perfect Storm ©2017

26

---

---

---

---

---

---

---

---

# Convergence Update

- Current agenda
  - Revenue recognition, issued 2014
    - Effective dates FYB 12/15/2017 and 2018
  - Leases, February 2016
  - Fin. Instruments:
    - Measurement-issued January 2016
    - Impairment-issued June 2016
    - Hedging-ED review
  - Callable debt-Q22017
  - Insurance contracts and FV measurement-ED review
  - F/S presentation
    - Now Financial Performance Reporting research project

ACPEN

Industry Institute

Accounting's Perfect Storm ©2017

27

---

---

---

---

---

---

---

---

## Current Joint Projects Agenda

- Priorities-at 5/17
  - Financial Instruments-Hedging
  - Insurance Contracts
  - Callable Debt
  - FV Measurement

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

28

---

---

---

---

---

---

---

---

## Private Company Financial Reporting

- Reports to FASB; carve-out model
- FAF recommended Private Company Council and implemented it Q2-12.
- Completed topics:
  - Definition of Public Business Entity
  - VIE-Lease Consolidation
  - Accounting for Goodwill
  - Interest Rate Swaps
  - Specific Transition Guidance for New Standards
  - Elimination of Extraordinary Items
  - Intangible Assets in Business Combinations

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

29

---

---

---

---

---

---

---

---

## AICPA Financial Reporting Framework (FRF)

- Proposed in May 2012
- Issued June 2013
- 32 Sections; more complex than anticipated
- Geared to bank usage
- Praised by CPAs and Bankers
  - Well documented
  - Robust
  - Cost effective

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

30

---

---

---

---

---

---

---

---

## FRF Overview

- Reduces GAAP to 252 pages
- Based on traditional accrual and income tax accounting
- Less complicated; less costly
- Principles based...requires judgment
- Less disclosure
- For F/S not requiring GAAP

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

31

---

---

---

---

---

---

---

---

## FRF Structure

- Organized by topics
- 32 Chapters across a variety of elements
- Formulated by SME-based Taskforce
- Updates every 3-4 years
- No effective date...IT'S OPTIONAL!

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

32

---

---

---

---

---

---

---

---

## FRF versus GAAP

- No effective date; not mandatory
- No extraordinary items
- No comprehensive income
- Goodwill amortization
- Traditional lease accounting
- No VIE consolidation
- No Mark-to-Market for certain financial instruments
- Push down accounting permitted

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

33

---

---

---

---

---

---

---

---

## AICPA Private Company Reporting Resource

- IFRS for SMEs...still an acceptable comprehensive basis of accounting
- AICPA has IFRS-SME wiki at [www.wiki.ifrs.com](http://www.wiki.ifrs.com)

**ACPEN**  
 Industry Institute

Accounting's Perfect Storm ©2017
 34

---

---

---

---


---

---

---

---

## Case #1: Catch the Wave!




**The Situation:**  
 Steve Petersen, CPA, was confused, frustrated and angry. "I just don't get it. After using GAAP for years, why are we being forced to accept all of these changes?" First, it was IFRS adoption, then came the completion of the Convergence Process, including new standards on revenue recognition, leases and financial instruments—not to mention the looming possibility of a complete financial statement overhaul. And, now, we have issues over private company financial reporting. As the long-time CFO for RT Enterprises, a regional machine shop, he was somewhat comfortable with his financial processes. Although RTE had several foreign suppliers and customers, Steve just considered it routine to ask for financial information in English. It was time consuming to convert the non-US financials to something he could understand, but he just considered that part of his job. Now he was going to have to learn an entirely new basis of accounting. Plus, implement new approaches to revenue recognition, leases and financial instruments. F/S Reformatting—forget about it!

He was aware of the wave of things to come from a globalization perspective, but this was more like a tsunami. To him, the potential changes represented a huge disaster that was going to consume both his professional and private lives.

**Required:**  
 How would you help Steve to catch the wave and enjoy the ride?

**ACPEN**  
 Industry Institute



Accounting's Perfect Storm ©2017
 35

---

---

---

---

---


---

---

---

## Module IV

### Taking a Closer Look



**ACPEN**  
 Industry Institute

Accounting's Perfect Storm ©2017
 36

---

---

---

---

---

---

---

---

## Adoption Alternatives

- The “Big Boom”
- Either / Or
- Supplemental disclosure
- IASB political pressure is HIGH!!!
- China Syndrome

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

37

---

---

---

---

---

---

---

---

## Revenue Recognition

- ASC Topic 606
- Basic principles
  - Transfer of goods and services
  - Consideration is received or expected to be received
  - Appropriate determination of separate obligations and transaction price
  - Costs of obtaining the contract are recorded
- Construction accounting still a work in process

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

38

---

---

---

---

---

---

---

---

## Lease Accounting

- ASC Topic 840
- Basic principles
  - Two types: risk of ownership transfers; risk of ownership retained
  - Both generate right-of-use asset and related liability
  - Minor differences in expense recognition
- Exposed in June 2013
- Final standard February 2016

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

39

---

---

---

---

---

---

---

---

## Financial Instruments

- ASC Topic 825
- Three sub-topics
  - Classification and measurement-issued January 2016
  - Impairment-issued June 2016
  - Hedging-ED review

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

---

---

---

---

---

---

---

---

## F/S Presentation Update

- Draft exposure draft issued 3<sup>rd</sup> Quarter 2010
- Moved to the “back burner” but not dropped in 2012.
- Re-classified as a FASB Research Project: Financial Reporting Performance
  - FASB re-evaluating the topic
- The subject of our broadcast on “Financial Reporting Performance”

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017



---

---

---

---

---

---

---

---

## Private Company Reporting in Flux

- IFRS for SMEs
- PCC (U.S. GAAP Carve-out)
- AICPA non-GAAP FRF
- IFRS
- Status Quo
- Other OCBOAs

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

---

---

---

---


---

---

---

---

## Case #2: A Reporting Dilemma



**CASE STUDY**

**The Situation:**

Curtis Rockwell, the CFO of Diamond Digitology, a high-tech start up, is facing a difficult decision. The board is pushing him to implement a new financial reporting system now. Complicating the decision is the fact that private-company reporting options are in flux.

Does he continue to report using U.S. GAAP or change to either IFRS or IFRS for SMEs? He might even wait until the final standards are set for U.S. GAAP carve-out accounting. And, there is one more issue to consider. DD is considering liquidity via an IPO or acquisition by a public company.

**Required:**

1. What are several issues that Curtis should consider in making this decision?

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

43

---

---

---

---

---

---

---

---

## Let's Take another Break!



ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

44

---

---

---

---


---

---

---

---

## Module V



### 10 Key Business Issues-- Revisited

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

45

---

---

---

---

---

---

---

---

## Ten Critical Business Issues

- Reporting systems
- User education
- Tax strategies
- Operating metrics
- Compensation and benefit plans
- Lending agreements
- Employee training
- Managing change
- Consistency of auditing and enforcement
- Accountant availability and certification

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

46

---

---

---

---

---

---

---

---

## 1. Reporting System Overhauls

- More comprehensive than Y2K
- Numerous resources exist since IFRS is widely in use elsewhere
- Keep in mind the reporting options we discussed
- Integration and implementation will be time consuming, distracting and costly
- Software, hardware, documentation and training

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

47

---

---

---

---

---

---

---

---

## 2. User Education

- Financial statements will have a new look
- And contain new terminology
- Financial concepts will change
- The task will be similar to learning a new language

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

48

---

---

---

---

---

---

---

---



### 3. Revised Tax Strategies

- Just one word: LIFO
  - IRS congruence will be needed
- Other changes in earnings will drive a reassessment of your tax strategies

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

49

---

---

---

---

---

---

---

---

### 4. New Operating Metric Adoption

- Changes will occur in revenue and earnings components
- Traditional metrics will also change
- New operational drivers may be required to achieve desired financial results
- New operational decisions will surface, i.e.:
  - Impairment risk
  - Revenue recognition
  - Inventory valuation
  - Fair value focus

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

50

---

---

---

---

---

---

---

---

### 5. Compensation and Benefit Program Impact

- Changes in financial outcomes will drive changes in the terms of compensation and benefit plans
- Revisions in revenue and earnings will be the primary drivers of these changes
- Potential union implications
- EBITDA improvement with Financing Leases

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

51

---

---

---

---

---

---

---

---

## 6. Lending Agreement Renegotiation

- A major red-flag
- Lenders have used accounting changes as an excuse for calling loans in the past
- Pay close attention to loan covenants
- Get your providers of capital involved early
- No surprises is the name of the game

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

52

---

---

---

---

---

---

---

---

## Case #3: Show Me the \$\$



CASE  
STUDY

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

53

### The Situation:

Gloria Sanchez has a problem. She just got blindsided by her CEO. As the newly promoted CFO of Quicksand Systems, she thought she had financial matters under control. Yesterday, however, Stan Ford, the CEO, walked into her office and told her that the Board had authorized (i.e. directed) that Quicksand adopt IFRS early on January 1, 2012—only 6 months from now!

A quick review of the IFRS adjusted balance sheet indicates a problem with the current ratio calculation. Using IFRS, the company is no longer compliant with its current loan covenants. Gloria was planning to approach Quicksand's bank, Small Biz Savings and Loan, for a major refinancing effort. Now she runs the risk of being told that the current loans may be called due to the covenant violations.

### Required:

1. What are several things that Gloria should do or should have done in light of this situation?
2. What are several things she should avoid doing?

---

---

---

---

---

---

---

---

## 7. Employee Training

- The success of IFRS education is a key milestone in the SEC's final decision
- Education your employees about The Storm is also critical
- The better your global roll-out, the easier your adoption will be
- Be attentive to the input of your employees

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

54

---

---

---

---

---

---

---

---

## 8. Attentiveness to Change Management Techniques

- Communicate and listen
- Recall the six steps for successful change management
  - Gain consensus on the problem
  - Provide the vision of the solution
  - Pay attention to detail
  - Listen to your people
  - Select change facilitators carefully
  - Communicate, communicate, communicate

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

55

---

---

---

---

---

---

---

---

## 9. Worldwide Auditing and Enforcement Consistency

- The adoption of IFRS is not the only issue
- What about auditing consistency?
- What about enforcement consistency?



ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

56

---

---

---

---

---

---

---

---

## 10. Accounting Professionals Availability and Certification

- Colleges and universities have to shoulder their share of the load
- Can they facilitate the shift from rules to principles?
- Can they teach students to think?
- CPA firms will have to step up their internal training
- A principles based approach will be a challenging change

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

57

---

---

---

---

---


---

---

---

# Module VI

## Your Roadmap for Action



ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

58

---

---

---

---

---

---

---

---

# A Common Game-plan

- The Storm will occur in the United States; the only question is when
- These ten steps apply to both public and non-public companies

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

59

---

---

---

---

---

---

---

---

# The Roadmap in 10 Segments

1. Inventory your Storm talent
2. Review Storm fundamentals
3. Prepare pro-forma F/S
4. Identify potential strategic and operational issues
5. Monitor relevant websites
6. Consider the centralizing accounting activities
7. Identify potential covenant and contract modifications
8. Scope required changes in financial systems
9. Design a comprehensive education program
10. Speak up! Let your voice be heard!

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

60

---

---

---

---

---

---

---

---

## Inventory Your Storm Talent

- Who has Storm knowledge?
  - Subsidiary finance professionals
  - IFRS trained accountants
  - External reporting specialists
- Subject matter experts (SMEs) are your Storm knowledge-transfer team's core
  - Use them to guide training and prepare of pro-forma financial statements

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017



61

---

---

---

---

---

---

---

---

## Review Storm Fundamentals

- Develop your knowledge
- Websites, courses, reading
- Don't be an expert; simply understand major differences
- Summarize the differences specific to your organization

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017



62

---

---

---

---

---

---

---

---

## Prepare Pro-Forma F/S

- Develop pro-forma financial statements
- Compare them to GAAP statements
- Review the results with your CPAs
- Communicate differences with primary financial information users

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017



63

---

---

---

---

---

---

---

---

## Identify Potential Issues

- Create operations adoption team
- Consider integrating the process with your annual strategic plan
- Develop and review action plans

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

IV

64

---

---

---

---

---

---

---

---

## Monitor Relevant Websites

- Prepare list of relevant websites
  - AICPA, FASB, IASB sites
  - AICPA Current Events site: [IFRS.com](http://IFRS.com)
  - Major CPA Firm sites
- Monitor and catalog key issues
- Identify someone as your "Storm Junkie"
  - Responsible for summarizing and communicating key points
- Current updates will keep you flexible and agile

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

V

65

---

---

---

---

---

---

---

---

## Consider Centralizing Accounting Activities

- The Storm may provide a reason for consolidating financial operations
- Makes training easier
- Simplifies systems implementation
- May lower operating cost

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

VI

66

---

---

---

---

---

---

---

---

### Identify Potential Debt Agreement and Contract Modifications

- List all significant agreements
- Review for potential financial conflicts
- Discussion with relevant parties early in the adoption process
- Consider conformity with “accounting standards acceptable in the U.S.”
- Goal: no surprises

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017



67

---

---

---

---

---

---

---

### Scope Required Changes in Financial Systems

- Begin compatible systems research
- Create an IT transition team
  - Use IT professionals and Storm SMEs
- Represents costly transition aspect
- Don't discount top-side adjustments

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017



68

---

---

---

---

---

---

---

### Design Comprehensive Education Program

- You should have 3 transition teams
  - Financial SME team
  - Strategic SME team
  - IT SME team
- These teams are your communications core
- Map out your communications game-plan
  - Target your key users
- Provide ample communication!

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017



69

---

---

---


---

---

---

---

## Speak Up! Let Your Voice Be Heard



- If the Storm doesn't look favorable, do something about it
- Doing nothing is not an option
- We are professionals

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

70

---

---

---

---

---


---

---

---

## Wrap-up

### Some Final Thoughts



*"You may be disappointed if you fail, but you are doomed if you don't try."*

- Beverly Sills

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

71

---

---

---

---

---

---

---

---

## Final Thoughts on the Perfect Storm

- This course was designed to **inform** and **alert** you
- It provides you a personal roadmap for success
- It allows you to become a value-added contributor to your organization's storm preparation processes

ACPEN  
Industry Institute

Accounting's Perfect Storm ©2017

72

---

---

---

---

---

---

---

---



# Take Away #1

## Your Personal Conversion Roadmap

Use the template on the next slide to create your personal storm preparation roadmap.

ACPEN Industry Institute

Accounting's Perfect Storm ©2017

73



---

---

---

---

---

---

---

---

# Take Away #1

## Your Personal Roadmap



ACPEN Industry Institute

Accounting's Perfect Storm ©2017

74

| Action Item                       | Responsibility | Due Date | Comments |
|-----------------------------------|----------------|----------|----------|
| Storm Fundamentals                |                |          |          |
| Expertise                         |                |          |          |
| Pro-Forma FIB                     |                |          |          |
| ID Strategic & Operational Issues |                |          |          |
| Internet Monitoring               |                |          |          |
| Org. Restructuring                |                |          |          |
| Debt Agreement Review             |                |          |          |
| Scope IT Changes                  |                |          |          |
| Design Communication Programs     |                |          |          |
| Speak Up!                         |                |          |          |

---

---

---

---

---

---

---

---

# Take Away #2

## Four on the Floor



Use the template on the next slide to identify the 4 most relevant things we discussed today.

Share them with your co-workers and your boss.

ACPEN Industry Institute

Accounting's Perfect Storm ©2017

75

---

---

---

---

---

---

---

---

Take Away #2

Four on the Floor

| My Four on the Floor |  |
|----------------------|--|
| #1                   |  |
| #2                   |  |
| #3                   |  |
| #4                   |  |

ACPEN Industry Institute

Accounting's Perfect Storm ©2017

76

---

---

---

---

---

---

---

---

Who Was That Guy?

Bill O'Brien

E:mail: [wfocpa@aol.com](mailto:wfocpa@aol.com)

Phone: (408) 499-3999

ACPEN Industry Institute

Accounting's Perfect Storm ©2017

77

---

---

---

---

---

---

---

---